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CONTENTS

6 May 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

| | |
|--|---|
| Spokesman Praises Clinton's Remarks on Relations [XINHUA] | 1 |
| Spokesman Criticizes U.S. Plans for Tibet Office [AFP] | 1 |
| U.S., Russia Call for Meeting on Bosnia [XINHUA] | 1 |
| Government Signs WIPO Trademark Agreement [XINHUA] | 2 |
| Friendship Association Holds Third Session [XINHUA] | 2 |
| Qian Qichen Addresses Association [XINHUA] | 2 |
| Anti-Illegal Migration Drive on Fujian Coast [Hong Kong TZU CHING 5 Apr] | 3 |

United States & Canada

| | |
|---|---|
| Exhibition on Sino-U.S. Cooperation Institute Camp [Xining Radio] | 4 |
| U.S. Expedition Meets Rescuers of U.S. Pilots [XINHUA] | 4 |
| NPC Delegation Departs for U.S. Visit [XINHUA] | 5 |
| More on Protest to U.S. on Foreign Relations Act [XINHUA] | 5 |
| U.S. Releases Guidelines for Role in UN Peacekeeping [XINHUA] | 6 |
| Defense Chief Perry Denies Plan on Base Closures [XINHUA] | 6 |
| White House Subpoenaed Over Foster Documents [XINHUA] | 7 |
| Singapore Asks U.S. To Leave Caning Case 'Behind' [XINHUA] | 7 |
| Canadian Governor-General Visits Guangdong [Guangzhou Radio] | 8 |

Central Eurasia

| | |
|--|---|
| Border Troop Information Exchanged With Russia [Hong Kong LIEN HO PAO 5 May] | 8 |
| Russia Asked To Keep Peace in Nagorno-Karabakh [XINHUA] | 9 |
| Azerbaijan Rejects CIS Peace Plan [XINHUA] | 9 |

Northeast Asia

| | |
|--|----|
| Chinese 'Shocked and Incensed' by Nagano Remarks [CHINA DAILY 6 May] | 9 |
| ROK Urges Japan To Take Action on Nagano Remarks [XINHUA] | 10 |
| Nagano Recants Remarks on Nanjing Massacre [XINHUA] | 10 |

Southeast Asia & Pacific

| | |
|---|----|
| Peng Peiyun Meets Philippine Visitors [XINHUA] | 11 |
| Yunnan Governor Leaves for Cambodia, Thailand, Burma [XINHUA] | 11 |
| Singapore 'Optimistic' About Economic Outlook [XINHUA] | 11 |
| Singapore, Shandong Trade Cooperation 'Booming' [XINHUA] | 11 |

Near East & South Asia

| | |
|---|----|
| First Indian Electronics Delegation To Visit [XINHUA] | 12 |
| Indian Minister Welcomes Cultural Festival [XINHUA] | 12 |
| Ren Jianxin Meets Bangladesh Law Minister [XINHUA] | 12 |
| Association Confers Title on Bangladesh Minister [XINHUA] | 12 |

Sub-Saharan Africa

| | |
|---|----|
| Jiang Zemin Congratulates Mandela on ANC Victory [XINHUA] | 13 |
| Kenyan President Arrives in Beijing 5 May [XINHUA] | 13 |

NATIONAL AFFAIRS

Political & Social

| | |
|--|----|
| Draft of Public Order, Land Laws Explained [XINHUA] | 14 |
| NPC Official on Copyright Infringements, Punishment [XINHUA] | 15 |
| Copyright Violators To Receive 5 Years' Imprisonment [XINHUA] | 15 |
| Jiang Zemin Intervenes in Jiangsu Township Plight [XINHUA] | 16 |
| Qiao Shi Marks 'Youth Day,' Receives Youths [XINHUA] | 16 |
| Li Tieying Views Holding Art Festival in Gansu [XINHUA] | 17 |
| Wen Jiabao Inspects Rural Hebei 4-6 Apr [XINHUA] | 17 |
| Wang Zhaoguo Prefaces Album of Nonparty Personalities [RENMIN RIBAO 14 Apr] | 18 |
| Beijing Adds 18 More Offenses Against Public Order [XINHUA] | 19 |
| Article Reveals Problems in Rural Public Order [FAZHI RIBAO 3 May] | 19 |
| XINHUA: NPC Standing Committee Session Opens | 22 |
| Report on Leaders' Activities 23 Apr-5 May | 22 |
| Real Estate Law Submitted to NPC Standing Committee [XINHUA] | 24 |
| Authorities Suppress Journal, Promote RENMIN RIBAO [Hong Kong SOUTH CHINA MORNING POST 5 May] | 25 |
| Column Urges Administration To Cut Down on Meetings [CHINA DAILY 5 May] | 25 |
| System To Improve Quality of Periodicals [RENMIN RIBAO 13 Apr] | 26 |
| Commentator Hails Speed Skater's Patriotism [RENMIN RIBAO 3 May] | 28 |

Military

| | |
|---|----|
| PLA Plans Abolition of Highest Rank, Other Changes [CHINA DAILY 6 May] | 29 |
| Shanghai Baoshan Navy-Run Military School Set Up [JIEFANG RIBAO 20 Apr] | 30 |

Economic & Agriculture

| | |
|---|----|
| Li Lanqing Favors Large-Scale Car Production [XINHUA] | 30 |
| Liu Jiang on Peasants' Income, Social Stability [XINHUA] | 31 |
| Bank Deputy Governor Attends ADB Meeting in France [XINHUA] | 31 |
| IPR Symposium To Be Held in Beijing [XINHUA] | 32 |
| Journal Views New CPC Approach to Reform [Hong Kong CHING PAO 5 May] | 32 |
| Article Discusses Price Control Mechanisms [Hong Kong WEN WEI PO 17 Apr] | 35 |
| National Meeting Studies Growth of Foreign Investment [XINHUA] | 37 |
| Beijing Attracts Investment from Foreign Firms [XINHUA] | 37 |
| Foreign-Invested Property Appraisal Procedures [GUOJI SHANGBAO 7 Apr] | 38 |
| Economist Discusses Scale of Investment Issue [JINGJI CANKAO BAO 5 Apr] | 40 |
| Trade Inspectors Seek Increased Foreign Ties [CHINA DAILY 6 May] | 42 |
| Officials on Banning Use of Foreign Currencies [Hong Kong LIEN HO PAO 4 May] | 43 |
| Expert Warns Inflation Tolerance Limit Reached [ZHONGGUO XINWEN SHE] | 43 |
| 'Marked Improvement' Seen in Commodity Quality [XINHUA] | 43 |
| Wuhan Iron, Steel Company Enhancing Efficiency [XINHUA] | 44 |
| Government To Buy Two Transponders on AsiaSat-2 [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 6 May] | 44 |

REGIONAL AFFAIRS

East Region

| | |
|--|----|
| Jiangxi Governor Holds Production Safety Teleconference [Nanching Radio] | 45 |
| Jiangsu Seizes Over 10,000 Compact Discs in Apr [Beijing Radio] | 45 |
| Jiang Zemin Sees Hospitalized Veterans in Shanghai [XINHUA] | 45 |
| Shanghai Commission Urges Crackdown on Corruption [WEN HUI BAO 28 Apr] | 46 |

| | |
|--|----|
| Shanghai Satellite Station To Begin Trial Operation [XINHUA] | 46 |
| Shanghai Inaugurates Card Phone Service [XINHUA] | 46 |

Central-South Region

| | |
|--|----|
| Li Lanqing Inspects Guangdong Province [XINHUA] | 46 |
| Guangdong Official Views 'Prominent' Economic Problems [ZHONGGUO XINWEN SHE] | 47 |
| Guangzhou's 'Voice of Workers' Hotline Begins [Guangzhou Radio] | 48 |
| Guangdong Vice Governor Meets Portuguese Premier [Guangzhou Radio] | 48 |
| Foreign Firms Reportedly Abusing Labor in Guangdong [Hong Kong HONGKONG STANDARD 6 May] | 48 |
| Bank Official on Shenzhen's Monetary Situation [ZHONGGUO TONGXUN SHE] | 49 |
| Hainan Governor Chairs Government Executive Meeting [Haikou Radio] | 49 |
| Hainan Governor Chairs Provincial Meeting [Haikou Radio] | 50 |
| Hainan Implements Preferential Entry, Exit Policies [ZHONGGUO XINWEN SHE] | 50 |
| Henan Secretary on Coal Industry Problems [Zhengzhou Radio] | 51 |
| Hubei Governor Delivers Government Work Report [HUBEI RIBAO 8 Mar] | 51 |
| Hunan Uses Foreign Funds To Promote Agriculture [XINHUA] | 65 |

Southwest Region

| | |
|---|----|
| Guizhou Party Chief Addresses Reform Meeting [Guiyang Radio] | 65 |
| Guizhou Secretary Seeks Help for Poverty-Stricken [Guiyang Radio] | 65 |
| Guizhou Urges Investors To Seek Asset Accreditation [Guiyang Radio] | 66 |
| Guizhou Builds Optical Fiber Cables [XINHUA] | 67 |
| Yunnan Secretary at Meeting on Reform, Development [Kunming Radio] | 67 |
| Yunnan Governor Writes to Propaganda Work Meeting [Kunming Radio] | 68 |

North Region

| | |
|--|----|
| Li Peng Inspects Work in Inner Mongolia [XINHUA] | 68 |
|--|----|

TAIWAN

| | |
|---|----|
| Further on President's Visit to Nicaragua | 71 |
| Vows Continued Aid [CNA] | 71 |
| Talks Held on Bank Administration [CNA] | 71 |
| Presidents Sign Communique [CNA] | 71 |
| Ministry Protests Japanese Minister's Remarks [CNA] | 72 |
| Industries' 'Mass Relocation' to Mainland Noted [CNA] | 72 |

HONG KONG & MACAO

Hong Kong

| | |
|--|----|
| Lu Ping Dismisses Human Rights Commission Concept [ZHONGGUO XINWEN SHE] | 74 |
| Sino-British Joint Liaison Group To Hold Talks [XINHUA] | 74 |
| Governor Patten Responds to Lu Ping Remarks [Hong Kong TV] | 74 |
| XINHUA Official on Fostering 'Understanding' of PLA [Hong Kong TA KUNG PAO 2 May] | 75 |
| Article Examines Post-1997 Role of PLA [Hong Kong SOUTH CHINA MORNING POST 4 May] | 75 |
| Hong Kong NPC Deputies Watch PLA Drill in Guangdong [Guangzhou Radio] | 76 |
| Paper Urges Greater Progress on Transition Issues [Hong Kong EASTERN EXPRESS 5 May] | 77 |
| Deng Xiaoping's Brother To Visit Territory 8 May [Hong Kong EASTERN EXPRESS 4 May] | 78 |
| Editorial Continues Criticism of UK Parliament Report [Hong Kong TA KUNG PAO 3 May] | 78 |
| Columnist Views Banknotes Issued in Hong Kong [RENMIN RIBAO OVERSEAS EDITION 5 May] | 79 |
| BOC Hong Kong Group Names New Director [Hong Kong TA KUNG PAO 5 May] | 80 |
| Fujian Secretary Meets Officials in Hong Kong [Fuzhou Radio] | 80 |
| LIAOWANG Supports Verdict in Xi Yang Case [25 Apr] | 81 |
| Boycotting Reporters Barred From Zhejiang Trip [ZHONGGUO TONGXUN SHE] | 81 |

| | |
|---|----|
| China Retaliates Against Journalists Supporting Xi Yang [Hong Kong SOUTH CHINA MORNING POST 6 May] | 82 |
| Committee To Strengthen Ties With Hong Kong People [XINHUA] | 83 |
| XINHUA Official Speaks on 'May 4th Movement' [XINHUA] | 83 |
| Hong Kong's T.K. Ann Seeks To Resign CPPCC Post [Hong Kong LIEN HO PAO 4 May] | 83 |
| Reported Attempt To Bolster Civil Service [Hong Kong HONGKONG STANDARD 6 May] | 84 |
| PRC Pledges Fair Treatment for British Civil Servants [Hong Kong SOUTH CHINA MORNING POST 5 May] | 85 |
| Legislative Councillors Table Election Proposals [Hong Kong SOUTH CHINA MORNING POST 5 May] | 85 |
| Editorial Views Censure of PRC, UK Governments [Hong Kong SOUTH CHINA MORNING POST 6 May] | 86 |
| Local EU Office Head on Quotas on PRC-Made Goods [Hong Kong HONGKONG STANDARD 6 May] | 86 |

Macao

| | |
|--|----|
| 75th Anniversary of 4 May Movement Marked [XINHUA] | 87 |
|--|----|

General

Spokesman Praises Clinton's Remarks on Relations

OW050523229- Beijing XINHUA Domestic Service in Chinese 1152 GMT 5 May 94

[Text] Beijing, 5 May (XINHUA)—Chinese Foreign Ministry spokesman Wu Jianmin this afternoon expressed appreciation of President Clinton's willingness to improve and develop Sino-U.S. relations.

At a news conference, a reporter asked Wu Jianmin: "Do you have any comments on President Clinton's remarks on Sino-U.S. relations in response to a correspondent's question at his 3 May news conference on CNN?"

Wu Jianmin said: "China and the United States are two influential world powers, and the development of stable and healthy relations between them conforms with the fundamental interests of the two countries and their peoples; and also serves to promote peace and stability in the Asia-Pacific region and in the world at large. There exists broad common interests between China and the United States, and there are also some differences between them on certain issues. What is crucial is that the two countries should develop their common points and handle their differences properly, in strict accordance with the principles laid down in the three Sino-U.S. joint communiques and on the basis of mutual respect, non-interference in each other's internal affairs, equality, and mutual benefit."

He emphatically pointed out: "We appreciate President Clinton's expression of willingness to improve and develop Sino-U.S. relations. The Chinese side has already made tremendous efforts to improve and develop relations between the two countries, and it is willing, together with the U.S. side, to make continuous efforts to this end."

Spokesman Criticizes U.S. Plans for Tibet Office

HK0505102494 Hong Kong AFP in English 1003 GMT 5 May 94

[Text] Beijing, May 5 (AFP)—China denounced Thursday U.S. plans to set up an information office in Tibet to promote discussion of human rights, calling them a blatant attempt to undermine Chinese sovereignty. "It is shocking for the US government to show contempt for the norms governing international relations and blatantly undermine the sovereignty of China and try to split China," foreign ministry spokesman Wu Jianmin told a weekly press briefing.

Provisions contained in the Foreign Relations Authorization Act adopted by the U.S. Congress on April 28 instruct the director of the US Informations Agency "to seek to establish an office" in the Tibetan capital Lhasa.

The office would promote the discussion of human rights, promote U.S. private sector involvement in educational and cultural activities, advise Washington on Tibetan popular opinion and disseminate information on the United States.

"What the US government is going to do in this connection must have prior consent on the part of the Chinese Government," Wu said, adding: "We will definitely not agree."

Wu slammed the act for "even going so far as to name Tibet as a country" and demanded that Washington strictly abide by the principle that Tibet is an integral part of China.

While President Bill Clinton has agreed in principle with the sentiments contained in the relevant provisions, he has expressed reservations that their formulation may infringe on the president's prerogative in negotiations with foreign governments.

U.S. Assistant Secretary of State for East Asian and Pacific Affairs said Wednesday that Washington was keen to see more progress from Beijing on the question of Tibet, most notably on U.S. calls for a meeting between Tibet's exiled leader, the Dalai Lama, and Chinese officials.

U.S., Russia Call for Meeting on Bosnia

OW0505003694 Beijing XINHUA in English 2307 GMT 4 May 94

[Text] London, May 4 (XINHUA)—The U.S. and Russia today called for a foreign ministerial meeting of the newly-formed contact group as soon as possible to give "a new powerful political impetus" to Bosnian peace negotiations.

The meeting of the U.S., Russian, French, British and German foreign ministers is expected to take place in Geneva on May 13, U.S. State Department spokesman Mike McCurry said in a statement after U.S. Secretary of State Warren Christopher met Russian Foreign Minister Andrey Kozyrev in Cairo where they attended the signing ceremony of Israel-PLO peace agreement on Palestinian self-rule in Gaza and Jericho.

Christopher and Kozyrev "expressed serious concern over the continuing instability of the situation in Bosnia which could spark another dangerous point of conflict," McCurry said aboard Christopher's aircraft from Cairo to Washington, which stopped in Ireland to refuel.

The two ministers urged Bosnian Muslims and Serbs to cease hostilities and resume negotiations without preconditions on an overall peaceful settlement.

They also called for immediate steps to prevent offensive military action in the Serb-held Brcko area of northern Bosnia.

Christopher, aboard his aircraft, said he supported deployment of UN troops to Brcko to head off an impending major battle between Muslim and Serb armies for a vital Serb supply corridor on which the town lies.

The contact group was established last month to put together diplomatic efforts of the U.S., Russia, the European Union and the United Nations to end the two-year-old Bosnian conflict.

Government Signs WIPO Trademark Agreement

OW0605045794 Beijing XINHUA in English 0439
GMT 6 May 94

[Text] Geneva, May 5 (XINHUA)—China joined the Nice agreement of the World Intellectual Property Organization (WIPO) on Thursday [5 May] to internationalize its trademark system.

The agreement, known as "The Agreement on the International Classification of Goods and Services for Trademark Registration," was first established in 1957 and is the major instrument of WIPO.

Tang Yufeng, deputy representative of the Chinese mission to the UN in Geneva, presented a protocol for entry to Arpad Bogesch, director-general of WIPO.

Since joining WIPO in 1980, China has signed nearly all international agreements protecting intellectual property rights.

Bogesch said that a special meeting will be held for the entry of Chinese products into international trademark registration.

The Nice agreement now has 36 signatory members.

Friendship Association Holds Third Session

OW0505142794 Beijing XINHUA in English 1310
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—The third national council session of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) opened here today.

President Han Xu of CPAFFC said in a work report at the session that CPAFFC, as a non-governmental organization, has established cooperative relations with more than 100 friendship-with-China organizations all over the world since it was set up forty years ago.

He noted that CPAFFC, which is also in charge of coordinating the friendly bonding of Chinese cities with counterparts in other countries, has so far helped 531 pairs of friendship cities establish such a relationship.

"We have become more and more involved in economic work and have made use of the already open channels for friendly exchanges to pursue economic cooperation with other countries at the central and local levels," the CPAFFC president said.

Among those attending the session were Chinese State Councillor Ismail Amat, Qi Huaiyuan, director of the office in charge of foreign affairs of the State Council, and some 250 CPAFFC council members.

The CPAFFC council holds a session every four years. New president and vice-presidents will be elected during the ongoing session, which will last three days.

Qian Qichen Addresses Association

OW0505152994 Beijing XINHUA in English 1432
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—A reception marking the 40th anniversary of the founding of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) was held at the Great Hall of the People here this evening.

More than 800 people from all walks of life in the Chinese capital and all parts of the country as well as foreign friends attended the reception.

Chinese Communist Party and state leaders Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan and Qian Qichen each wrote a few words of congratulations on the occasion.

Delivering a speech at the reception, Chinese Vice-Premier and Foreign Minister Qian Qichen praised the CPAFFC for its important role in increasing Sino-foreign friendly contacts and cultural exchanges on a people-to-people basis over the past 40 years.

"In the past four decades," he said, "the CPAFFC has won many sincere friends from various countries for our people and contributed its share to our national development and progress."

He continued that since the introduction of the reform and opening policy, China has enjoyed rapid economic growth, political stability, unity among the nationalities and social prosperity which "form the basis for our successes in foreign affairs."

In recent years, Qian noted, China's prestige and influence have steadily grown and countries around the world have attached importance to improving and developing relations with China. "This has provided a favorable international environment for us to build socialism with Chinese characteristics," he added.

Touching on the ongoing CPAFFC National Council meeting which convened here today, Qian pointed out that the CPAFFC has made a very good summing-up of its work done in the past four years. "Particularly, it has reaffirmed its experiences in enlarging the field of friendship work to cope with the changing international situation and in serving domestic economic construction," he added.

He said, "It is my sincere hope that the CPAFFC will maintain and carry forward its fine traditions fostered in the past 40 years and achieve even greater results in making many friends, in expanding the field of and channels for non-governmental friendly contacts with other countries and in further exploring new ideas, methods and ways for the building of people's friendship in the new period."

President Han Xu of CPAFFC also spoke at the reception.

Among those present were Lei Jieqiong and Wang Guangying, vice-chairmen of the Standing Committee of China's National People's Congress (NPC), Huang Hua, former vice-chairman of the NPC Standing Committee, Gu Mu, former vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and Qi Huaiyuan, director of the Foreign Affairs Office of the State Council.

Also present were leading members of the friendship associations of the U.S.-China, Bangladesh-China, Singapore-China, and Brazil-China, the Cote d'Ivoire-China Friendship Group, and Japanese friends as well as several diplomatic envoys stationed here.

Anti-Illegal Migration Drive on Fujian Coast

HK0405121594 Hong Kong TZU CHING in Chinese
No 4, 5 Apr 94 pp 77-79

[Article by Qiu Liangfa (6726 5328 4099): "General Description of Campaign Against Illegal Migration in Some Localities Along Fujian Coast"]

[Excerpts] Fuzhou West Lake Guest House, which is known for its scenic beauty, welcomed a number of visitors on 26 January 1994. The 17-member U.S. State Department delegation, headed by Assistant Secretary Robert Gilbert, visited Fujian, accompanied by Dai Changshi, deputy director of the PRC Foreign Ministry's Consular Affairs Department. The U.S. delegation's China visit aimed chiefly at negotiating with the Chinese side a crackdown on illegal migration and migrant trafficking. The purpose of their trip to Fujian was to learn about the conditions of the campaign against illegal migration and migrant trafficking in the province.

Fujian Vice Governor Wang Jianshuan met with the U.S. delegation, while Ren Ziyu, director of the provincial government's office of foreign affairs, and Lin Minggui, director of the border bureau of the provincial public security office, participated in the talks with the U.S. delegation. A responsible person of the Fujian Provincial Government set out the Chinese Government's persistent position on the campaign against illegal migration and migrant trafficking, and briefed the delegation on the series of effective tasks and results in the campaign, while expressing hope for the augmenting of international cooperation, a crackdown on "snake heads" [organizers of illegal migration], and checking illegal migration. During the talks, members of the U.S. delegation expressed admiration for Fujian's work in the campaign against illegal migration and migrant trafficking, while saying that they would halt and fight against illegal migration and migrant trafficking through joint efforts.

Thus a conclusion was reached for this stage of the work on the issue of seething illegal emigration and migrant trafficking in some localities along the Fujian coast. [passage omitted]

Marked Results in the Campaign Against Illegal Migration and Migrant Trafficking

The Chinese Government has long given explicit instructions on the campaign against illegal migration and migrant trafficking. Governments at various levels in Fujian have attached great importance to this work, with various measures adopted in recent years. On several occasions, they have taken unified action to crack down on illegal migration and migrant trafficking. In June 1993, the Fujian provincial leadership went deep into the coastal countries to conduct investigation and study, and decided to unfold a special struggle to "investigate gangs, crack down on snake heads, uproot dens, and pursue criminals at large" along the Fujian coast. First, it was imperative to eliminate "snake heads" inside the territory and to mete out stern penalties; by no means should one rear a tiger to court calamity. Second, "snake heads" outside the border should be rounded up through the Interpol. Third, it was necessary to augment legislative work on the campaign against illegal migration and migrant trafficking, and to establish, complete and perfect various local decrees, and strengthen the practice of doing business according to the law. Fourth, it was imperative to reinforce the ability of public security and border personnel to fight illegal migration and migrant trafficking, encourage and reward relevant people who report illegal migration and migrant trafficking activities. Fifth, it was necessary to strengthen propaganda and education, publicize the danger of such law-breaking activities as illegal migration, and to educate the masses to fight illegal migration. These measures have scored sound results. Fuzhou—which had a greater number of people engaged in illegal migration and migrant trafficking—regarded the campaign against illegal migration and migrant trafficking as an important government task; set up a leading group and office dedicated to the campaign against illegal emigration; and transferred some 200 cadres from city, county and prefectural organizations to organize some 50 work teams stationed in key villages to unfold this work, so as to further establish, complete, and perfect control and precaution measures and to implement all regulations in the campaign against illegal migration and migrant trafficking in a down-to-earth way. In 1993, Fujian uncovered 138 cases of illegal migration and migrant trafficking, involving 1,499 persons; 12 batches of illegal migrants, totaling 2,355 in number were received and repatriated from Japan, Singapore, Mexico, the Marshall Islands, Honduras, Indonesia, Guatemala, and other regions; 303 illegal migration and trafficking organizers (namely "snake heads") were rounded up, of whom, 86 "snake heads" were given sentences, 39 were to undergo re-education through labor, and 109 were held in custody for interrogation.

The International Community Should Augment Cooperation

Migrant trafficking is a kind of international illegal migration activity. Since reform and opening up, Fujian has entered a period of the most rapid economic growth in

history. Owing to the effects of some international and domestic factors, however, an undercurrent of illegal migration and migrant trafficking surfaced along some coastal areas. It began in early 1989. At first, only some people along the coast secretly hired vessels heading for Taiwan. Then some people pretending to be Vietnamese refugees were trafficked to South Korea and Japan. Later, the practice gradually spread to Southeast Asia. Since 1990, illegal migration and migrant trafficking have targeted the United States. The chief characteristics of illegal migration activities were: First, illegal migration and migrant trafficking mainly took place in some localities along the Fujian coast, and in Fuzhou, focusing on the suburbs of Tingjiang and Langqi, as well as some coastal towns and townships, such as Tantou, Jingfeng, and Wu Hang, in Changle County and Guangtong, in Lianjiang County. Second, "snake heads" inside and outside the border tempted and colluded with each other to organize illegal migration and migrant trafficking. Third, the primary method of illegal migration was to board a vessel that sailed out to sea to rendezvous with a Taiwan or foreign vessel, then being trafficked to other countries and regions. Fourth, illegal migration methods have become increasingly surreptitious. Fifth, charges are reduced and ways of charging are changed so as to increase temptation, leading some of the masses to participate in illegal migration with the notion of trying their luck.

Take Fuzhou, for instance. The cases of illegal migration and migrant trafficking which the city has uncovered in recent years were organized primarily by international illegal migration and migrant trafficking groups and by triad organizations, and were manipulated by "snake heads." The behavior of these international illegal migration and migrant trafficking groups was operational, professional, secretive, and did international harm. The bases for organizing illegal migration and migrant trafficking were mostly outside the border, and such activities have become increasingly internationalized. Since 1993, the activities of a number of "snake heads" outside the border have been controlled by the Fuzhou public security and border departments, these snake heads included people from such countries and regions as the United States, Hong Kong, and Taiwan. Most of the vessels intercepted while engaged in illegal migration and migrant trafficking were old freighters in camouflage. At the same time, the illegal migrants had been trained to supply seeking "political asylum" as the unified answer when they were likely to be apprehended by U.S. immigration service. All this showed that the solution to illegal migration and migrant trafficking would involve many issues, including foreign affairs, international cooperation, and judicial assistance. It is imperative for the international community to augment cooperation, clarify its responsibility, and crack down on illegal migration and migrant trafficking organizations from all directions. Only then will it be possible to solve the problem once and for all. [passage omitted]

United States & Canada

Exhibition on Sino-U.S. Cooperation Institute Camp

HK0505130394 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 4 May 94

[Text] The opening ceremony for an exhibition on the facts of the Sino-U.S. Cooperation Institute concentration camp [a camp run by U.S. and Kuomintang forces for the imprisonment of political dissidents, including communists, during the late 1940's] was held yesterday morning [4 May]. The exhibition was sponsored by such units as the provincial party committee's propaganda department, with the help of the provincial museum and Chongqing's Keleshan Cemetery for Revolutionary Martyrs. The exhibition displays 300 or so copies of photos, and close to 100 precious historical relics. These things left behind by history show the past facts of the heroic struggle carried out by the proletarian revolutionaries of the older generation in order to make the Chinese revolution a success, as well as the monstrous crimes committed by Chinese and foreign reactionaries in the concentration camp. These vivid, lively, and moving exhibits are lively material with which to conduct education in patriotism, and will play a positive role in training youngsters to love the motherland, will foster lofty ideals, and will enrich the building of socialist spiritual civilization.

At the ceremony, more than 4,000 persons viewed the exhibition, including party, government, and Army leaders from the province and cities; officers and men of the People's Liberation Army and armed police; and pupils from Xining's (Xiacheng) and (Beiguan) district primary schools.

U.S. Expedition Meets Rescuers of U.S. Pilots

OW0605070094 Beijing XINHUA in English 0620 GMT 6 May 94

[Text] Hangzhou, May 6 (XINHUA)—Members of a United States expedition in search of the wreckage of an American B-25 bomber met Wednesday [4 May] in Xiangshan County, Zhejiang Province, with Chinese citizens who rescued American pilots 52 years ago.

The 19-member expedition, headed by Bryan Moon, former vice-president of Northwest Airlines of the United States, has ended its search of the wreckage of the No. 15 bomber in the Xiangshan Bay.

Commanded by General Doolittle, a squadron of U.S. bombers launched America's first air strike on Tokyo during World War II on April 18, 1942.

The bombers were scheduled to land at the airport in Quzhou, Zhejiang Province, but lost contact with the airport while returning from their mission.

The airmen had to parachute from their planes after they ran out of fuel.

It has been verified that six bombers crashed in Zhejiang Province and that 27 airmen were rescued by local residents and returned home, while three died.

Three bombers crashed in the sea off Xiangshan County near Ningbo city. Ten airmen in bombers No. 7 and No. 15 were rescued by local residents, and returned home.

Two airmen of No. 6 bomber were drowned and three others were rescued. While escorting the pilots to the rear, ten local residents were shot dead by Japanese soldiers.

Attending the meeting on May 4 were seven local residents participating in the rescue operation 52 years ago and three descendents of the rescuers.

Two of the seven rescuers are 82 years old and two are women.

Also attending was Henry Potter, 76, a pilot in the squadron commanded by General Doolittle. Potter is a member of the American expedition.

On behalf of the rescued pilots, their families and the American people, Moon extended sincere thanks to the Chinese rescuers and their descendents.

Two American expedition members read two letters of thanks on behalf of Ted Lawson, a crewman with the No. 7 bomber, and Griffith Williams, a crewman of the No. 15 bomber, respectively.

Other members gave the rescuers badges in commemoration of the friendship between the Chinese and American peoples.

The expedition members and rescuers vowed to carry forward the friendship cemented 52 years ago.

NPC Delegation Departs for U.S. Visit

OW0605071294 Beijing XINHUA in English 0646
GMT 6 May 94

[Text] Beijing, May 6 (XINHUA)—A delegation from the Foreign Affairs Committee of China's National People's Congress (NPC) left here by air today for a visit to the United States.

The delegation, headed by Chairman Zhu Liang of the NPC Foreign Affairs Committee, was invited by the U.S. Institute of the Representative System Administration.

More on Protest to U.S. on Foreign Relations Act

OW0505141494 Beijing XINHUA Domestic Service in Chinese 1152 GMT 5 May 94

[Text] Beijing, 5 May (XINHUA)—Tian Zengpei, Chinese vice-minister of foreign affairs, summoned U.S. Ambassador Stapleton Roy here today, and lodged a strong protest with the United States against its Foreign Relations Authorization Act.

Tian said that on 28 April, the United States Congress passed the Foreign Relations Authorization Act, fiscal years 1994 and 1995, which was signed by the U.S. President on 30 April.

When this bill was being discussed, the Chinese side expressed serious concern over the anti-China provisions and made several solemn representations with the U.S. side, Tian said, adding that "We pointed out to the U.S. side that these provisions, which had severely infringed on China's sovereignty and constituted a gross interference in China's internal affairs, would cause serious damage to Sino-U.S. relations."

The U.S. side, however, in disregard of the Chinese side's strong opposition and representations, went ahead with the passage and signature of this bill that contains many provisions detrimental to China's fundamental interests. This can not but arouse great indignation of the Chinese people, the vice-minister said.

"I am hereby instructed to lodge a strong protest with the United States Government on this issue", Tian said.

It is known to all that there is only one China and that Taiwan is an inalienable part of China, he said, and the government of the People's Republic of China, as the sole legal government representing the whole of China, is recognized by the United Nations and the international community.

With regard to the Taiwan question, Tian said, the U.S. Government has made unambiguous commitment in the three Sino-U.S. Joint communiques, and is therefore bound by its international obligations. But the authorization act states that "Section 3 of the Taiwan Relations Act takes primacy over statements of government policies, including communiques, regulations, directives and policies based thereon," thus openly trampling on the communique of 17 August 1982 between the Chinese and U.S. Governments and seriously undermining the basis of Sino-U.S. relations.

The vice-minister said that the act also advocates visits by U.S. cabinet-level officials to Taiwan and calls on the U.S. President to take steps to express clearly U.S. support to Taiwan in bilateral relations and multilateral organizations of which the United States is a member.

"This is a deliberate attempt to create 'two Chinas,' 'one China and one Taiwan' in the international arena that completely contravenes the U.S. Government's commitment to pursue a 'one China' policy," Tian said, and this attempt by the U.S. side to sabotage China's peaceful reunification and create tension in the Taiwan Straits will certainly meet with the resolute position of the Chinese people including our Taiwan compatriots, and is doomed to failure.

The vice foreign minister also said that Tibet has always been an inseparable part of China ever since the 13th century, and no country in the world, including the United States, recognizes Tibet as an independent

country. But the act openly refers to Tibet as a "country," alleging that Tibet is an "occupied sovereign country" and "its true representatives are the Dalai Lama and the Tibetan Government in exile."

He said that it is indeed shocking to see such contempt for the basic norms governing international relations, such open infringement of China's sovereignty and such an attempt to split China.

The Chinese people waged protracted and arduous struggles to safeguard their state sovereignty and territorial integrity, Tian said, and all attempts to split Tibet from the Chinese territory have ended in total failure with no exception.

"Anyone who still wants to follow this beaten track today will certainly come to grief", Tian said, and "We appeal [yao qiu 6008 3061] to the U.S. Government to strictly adhere to its openly stated position that Tibet is part of China and undertake not to get involved in any activities aimed at splitting China.

On the "Radio Free Asia", Tian said, China and many other Asian countries, and to create confusion to undermine stability in these countries. This act, however, approves the setting up of such a radio.

Tian said that this action once again shows no regard for the universally acknowledged norms governing international relations and violates the principles enshrined in the three-joint communiques between China and the United States. It is bound to meet the resolute opposition from the Chinese people and the peoples of other Asian countries.

Tian pointed out that Sino-U.S. relations are at a crucial moment right now, and "We hope that they will move in a positive direction."

However, he said, it depends on the joint efforts of both sides to improve and develop the bilateral relations.

The above-mentioned contents of the foreign relations authorization act seriously undermines the basis of Sino-U.S. relations, runs counter to the fundamental interests of both countries and peoples, and are inconsistent with the statement by the U.S. Government that it wants to develop a positive and constructive relationship with China.

The vice-minister said that China hereby states in all seriousness that all the anti-China sections in this act are absolutely objectionable and unacceptable [jian jue fan dui he jue dui bu neng jie shou di 1017 0414 0646 1417 0735 4815 1417 0008 5174 2234 0649 4104] to the Chinese Government and people. And "We demand that the U.S. Government honor its words and adopt effective measures to reverse its wrong position and erroneous decision [gai bian qi cuo wu li chang he jue ding 2395 6239 0366 6934 6137 4539 1034 0735 0414 1353] so as to strictly adhere to the principles enshrined in the three joint communiques between the two countries and the basic norms governing international relations."

Otherwise, he warned, the U.S. side shall be held responsible for all the consequences arising therefrom.

U.S. Releases Guidelines for Role in UN Peacekeeping

OW0605025494 Beijing XINHUA in English 0237
GMT 6 May 94

[Text] Washington, May 5 (XINHUA)—The United States today unveiled a set of new guidelines on its selective participation in global peacekeeping missions that stresses U.S. command and improved UN peacekeeping capabilities.

The guidelines, product of a government policy review that started in the previous administration, was signed by President Bill Clinton earlier this week, National Security Adviser Anthony Lake said.

"The central conclusion of the study is that properly conceived and well-executed peacekeeping can be a very important and useful tool of American foreign policy," Lake told a press briefing at the White House.

Under the guidelines, Lake said, Washington would seek to:

- Ensure that the United States supports "the right operations." The U.S. would only support or take part in missions that advance U.S. interests and the operations should have clear mandate, objectives and with forces and funds available.
- Reduce the cost of peacekeeping. The U.S. now pays for less than one-third of UN peacekeeping operations. Lake urged "other newly-rich countries" to "pay their fair share."
- Improve UN peacekeeping capabilities, enhancing planning, logistics, procurement, command and control, public affairs, intelligence and civilian policing.
- To ensure that there is effective command and control of American forces when they are engaged in peacekeeping operations.

"The President will never relinquish command of United States forces," said Lieutenant General Wesley Clark, director for strategic plans and policy of the Joint Chiefs of Staff.

"That is inviolable" although U.S. troops could be under "operational control" of foreign commanders, Clark told the same press briefing.

"The larger the U.S. military role, the more likely that the operations involved entail combat, then the less likely we are to place those forces under foreign operational control," Clark said.

Defense Chief Perry Denies Plan on Base Closures

OW0605024094 Beijing XINHUA in English 0223
GMT 6 May 94

[Text] Washington, May 5 (XINHUA)—U.S. Secretary of Defense William Perry denied today that the Pentagon is planning to delay closure of some bases until after the 1996 elections.

"We plan to go ahead with a vigorous base closing in 1995. And we will propose to close as many bases as we can effectively and efficiently execute," Perry said in a radio interview.

There were reports in recent days that the Clinton administration is considering the move so as not to inflict economic pains to some of the communities and to alienate voters there in the 1996 elections.

Last year, Congress approved, and President Bill Clinton signed, recommendations to close 130 military bases and scale back 45 others around the United States.

According to the Defense Base Closure and Realignment Commission that made the recommendations, the base closures will save the U.S. Treasury about four billion dollars from fiscal 1994 to 1999.

After the year 2000, the U.S. is expected to save about 2.3 billion dollars each year as a result of the base closings.

White House Subpoenaed Over Foster Documents

OW0605061494 Beijing XINHUA in English 0518
GMT 6 May 94

[Text] Washington, May 5 (XINHUA)—Independent prosecutor Robert Fiske, who is investigating the Whitewater affair, today subpoenaed all White House documents relating to Vincent Foster, the White House deputy counsel who police say committed suicide last July 20.

"The White House will cooperate fully and promptly," White House special counsel Lloyd Cutler said.

The sweeping subpoena seemed aimed at determining if any documents were taken from Foster's White House office or concealed from investigators after his body was found last July 20 in a park outside Washington.

U.S. President Clinton told reporters today that he did not know anything about the subpoena when asked if he would claim executive privilege to withhold any of the documents.

As part of his probe of financial and land dealings involving Clinton and his wife Hillary when the President was Arkansas governor, Fiske is looking into whether the White House interfered with authorities investigating the Foster tragedy.

Sources familiar with the case said Wednesday [4 May] that the independent prosecutor has concluded Foster did, in fact, commit suicide, and that Fiske would soon issue a report wrapping up that part of his probe.

U.S. Park police had previously determined that Foster, a long-time friend of the Clintons, shot himself last July 20 in the suburban park. Files were removed from his office in the White House shortly after his body was found, and Bernard Nussbaum, then White House counsel, reviewed other documents before they were given to police investigators.

It was disclosed last year that some of the documents taken from Foster's office concerned the Whitewater Development Corporation, a failed Arkansas real estate venture in which the Clintons held half interest.

White House deputy counsel Joel Klein said today that the Whitewater documents were initially turned over to Donald Kendall, the Clintons' personal lawyer, and that others had been given to Foster's family lawyer.

Questions have also been raised about whether White House aides tried to conceal some of Foster's documents.

The White House sought to portray Fiske's latest demand as routine, but it appears to signal a widening of the investigation.

In the U.S. Senate, 40 republicans urged their leader Bob Dole to confront Democratic leader George Mitchell with the proposal that Whitewater hearings begin within 30 days.

Both the Senate and the House have passed resolutions calling for Whitewater hearings, leaving it up to the leaders of the two parties to decide when they can be held without interfering with Fiske's investigation.

Singapore Asks U.S. To Leave Caning Case 'Behind'

OW0605132394 Beijing XINHUA in English 1237
GMT 6 May 94

[Text] Singapore, May 6 (XINHUA)—Singapore said today that it would be regrettable if the execution of caning on American teenage vandal Michael Fay were allowed to affect Singapore-U.S. relations.

"It would be regrettable if the actions of one individual, Michael Fay, who had transgressed Singapore law and been punished according to the law, were allowed to affect bilateral relations," a spokesman of the Foreign Ministry said.

Singapore had to enforce its laws impartially, whether Singaporeans, Americans or other foreigners were involved, he stressed.

The spokesman made the comments when responding to the statement by Christine Shelly, acting spokesperson for the U.S. State Department on Thursday [5 May].

In her statement, Christine Shelly said that Assistant Secretary of State Winston Lord met with Singapore Ambassador to the United States S.R. Nathan on Thursday and informed the ambassador that President Bill Clinton "was very disappointed" by Singapore's decision to "deny clemency to Michael Fay".

Fay, 18, was caned at the Queenstown Remand Prison in Singapore on Thursday for vandalism. He was originally sentenced to six strokes of caning in early March. But the Singapore Government announced on Wednesday that the country decided exceptionally to reduce the punishment from six to four strokes of the cane to accommodate Clinton's concern over the case.

Clinton had written to Singapore President Ong Teng Cheong, asking for commuting Fay's sentence of the cane and expressed his concerns over the case three times in the public.

In his meeting with Ambassador Nathan, which was described as "frank and candid", Lord also warned that this incident of Fay "will have to be taken into account in the overall relationship between the U.S. and Singapore," Shelly said.

The spokesman of Singapore Foreign Ministry said however that he believed that U.S.-Singapore ties "were robust enough to weather any difficulties caused by Michael Fay's caning."

"The U.S. and Singapore have always enjoyed a strong relationship, based on many common interests and shared strategic objectives," he said.

He said he hoped that "both sides would focus on their larger mutual interests and put this incident behind them".

Canadian Governor-General Visits Guangdong

HK0505131994 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 3 May 94

[Text] As of today, a five-day "Canada Week" is being observed simultaneously in the Guangdong cities of Guangzhou, Shenzhen, and Zhuhai.

This morning, accompanied by Vice Governor Zhong Qiquan, Canadian Governor-General Ramon Hnatyshyn, who had arrived in Guangzhou especially to observe the "Canada Week," attended a symposium in Guangzhou on the development of relations between Canada and the Zhujiang Delta, as well as a ribbon-cutting ceremony marking the official commissioning of Guangdong's block code exchange system.

At the symposium on developing Canada-Zhujiang Delta relations, Hnatyshyn warmly praised the friendly relations between Canada and Guangdong, saying that a large number of Canadian Chinese who are natives of Guangdong Province have made enormous contributions to the development of Canada's highways and telecommunications, as well as its minerals prospecting.

The Canadian governor-general expressed his hope that Canada and Guangdong will take steps to strengthen academic exchanges so as to enhance mutual understanding and lay a solid foundation for continued cultural and economic exchanges.

Guangdong's block code exchange system was built with Canadian loans and with technology provided by Canada's North Electric Power Corporation.

Central Eurasia

Border Troop Information Exchanged With Russia

HK0505134494 Hong Kong LIEN HO PAO in Chinese 5 May 94 p 9

[Dispatch by reporter Tseng Hui-yen (2582 1979 3601): "China, Russia Exchange Military Data on Areas Within 100 Kilometers of the Border; China Stations Six Times More Troops Than Russia on Its Northern Border"]

[Text] New York, 4 May (LIEN HO PAO)—On 3 May, military commentator Pinhov [1627 0668 1133] said (Andrey Rozykov) [5012 5417 4430 1133], head of the Border Disarmament Negotiations Office, which is part of the Department of Chinese Affairs under the Russian Foreign Ministry, had revealed to him that Russia and China already had exchanged primitive military data on the areas within 100 km of their border, and will carry out disarmament work as the next stage, based on this information.

At the same time, Major General Anatoliy Varliya [3907 6849 7161], a former deputy chief of the Bureau of Treaty and Law under the Russian Defense Ministry, revealed to Pinhov that in the rear areas along the border, the mainland's military strength is six times greater than Russia's military strength in the Far East, and the mainland also has three times more the fighter planes there, but there is no sign of major movement so far.

Pinhov said to this newspaper that Rozykov confirmed for the first time that within 100 km of the 4,000-km border in the east, the Russian side has deployed 150,000 troops, which include border defense forces that are not regular Russian military units, and that the mainland has only 50,000 armed personnel, made up primarily of the Armed Police, local militia, and some regular military units. However, in the rear areas, to a depth of about 300-400 km, the mainland side has concentrated a large number of troops.

Rozykov said that since 1990, the mainland has kept refusing the disarmament plans for cutting "military groups at the military region level," as proposed first by the Soviet Union and then by Russia, as well as the suggested "disarmament within 25 km of the border." Even now, there are still technical difficulties during the disarmament negotiations, such as the way to distinguish regular units from other kinds of armed forces. He personally thought that as a compromise plan, both sides might cut 20-30 percent of the armed personnel currently deployed within 100 km of the border.

Varliya pointed out that the disarmament within 100 km of the border will not include the Russian garrisons in Khabarovsk and Vladivostok. According to him, what is important is that both sides have built up mutual trust, and do not view each other as enemies, while the direct links between the military regions of the two countries

also have been strengthened as a result, whereas the first batch of Chinese military observers entered Russia last year.

Russia Asked To Keep Peace in Nagorno-Karabakh

OW0505051794 Beijing XINHUA in English 0220
GMT 5 May 94

[Text] Moscow, May 4 (XINHUA)—The chairman of the Interparliamentary Conference of the CIS, Vladimir Shumeyko, today suggested that Russia send peacekeeping forces to war-torn Nagorno-Karabakh to stop the fighting between Armenians and Azerbaijanis.

Shumeyko, who is also chairman of Russia's upper house of parliament, made his statement on television after a mediation meeting for Nagorno-Karabakh held in Kyrgyzstan.

Russia has already sent a peacekeeping force to Georgia, where Georgian government forces and Abkhazian separatists have been fighting.

Parliamentary leaders from Armenia, Azerbaijan, the self-styled Nagorno-Karabakh republic, and Kyrgyzstan, attended today's mediation meeting, sponsored by the Interparliamentary Conference of the CIS.

Azerbaijan Rejects CIS Peace Plan

OW0605013994 Beijing XINHUA in English 0115
GMT 6 May 94

[Text] Moscow, May 5 (XINHUA)—Azerbaijan today rejected a peace plan on Nagorno-Karabakh made by the Interparliamentary Conference of the Commonwealth of Independent States (CIS).

Russian media reports quoted Vladimir Shumeyko, chairman of the CIS interparliamentary conference, as saying that Azerbaijan does not recognize Nagorno-Karabakh as one side of the conflict in that region.

He said that if Nagorno-Karabakh is not involved in signing a peace plan, no ceasefire will be guaranteed.

Parliament leaders of some CIS countries held a mediation meeting on Nagorno-Karabakh this week in the Central Asia republic of Kyrgyzstan.

Another side of the conflict, Armenia, has accepted the peace plan, which calls for the deployment of a CIS peacekeeping force in Nagorno-Karabakh, and the application by all sides of a ceasefire beginning on May 9.

Azerbaijan has also rejected a Russian plan to send a CIS peacekeeping force to the conflict region, and instead wants an international peacekeeping force.

Shumeyko, who is also chairman of the Russian upper house of parliament, said inviting an international

peacekeeping force is not logically sound since Nagorno-Karabakh is situated within the CIS. Therefore, it is the CIS that should send peacekeepers, he said.

Azerbaijan regards Nagorno-Karabakh as a part of its sovereignty and insists that the region has been occupied by Armenia.

Nagorno-Karabakh used to be an autonomous region within Azerbaijan, and is largely populated by Armenians.

A separation movement began in 1988 and led to the declaration of an independent republic in the region in September 1991.

During four years of conflict in the region, an estimated 3,000 Armenians and 4,700 Azerbaijanis were killed.

Northeast Asia

Chinese 'Shocked and Incensed' by Nagano Remarks

HK0605041094 Beijing CHINA DAILY in English
6 May 94 p 1

[By Xu Yang: "Fury Spreads Over Japanese Minister"]

[Text] China is demanding the Japanese Government treat with "all seriousness" the remarks made by Justice Minister Shigeto Nagano about the Japanese atrocities during their invasion of Nanjing.

The Foreign Ministry contacted the Japanese yesterday to express their concern over the remarks and open talks over the issue, spokesman Wu Jianmin said.

Wu said the Chinese were shocked and incensed by Nagano's distorted historical view of Japanese aggression.

Nagano told Tokyo reporters that the 1937 Nanjing Massacre, which killed 300,000 civilians in the city that was then the Chinese capital, was a "fabrication."

Wu described the massacre as one of the most notorious atrocities committed by the Japanese military during their invasion from 1937 to 1945.

The international community has already reached consensus on the nature of the war and the massacre itself.

Nagano was trying to whitewash the militarism, Wu noted.

He said China has noted Japanese Prime Minister Hata's attitude toward this episode of history when he spoke in Paris yesterday.

Hata reiterated Japan's view on the history and said Nagano's remarks were "inappropriate."

Wu said it is in the Japanese people's interests and for peace and stability in Asia for Japan to adopt a correct

attitude about its history of aggression. China always stands for a forward-looking approach to history and hopes Japan draw lessons from history, the spokesman said.

Meanwhile, President Jiang Zemin said in Shanghai yesterday that Chinese and Japanese should live in friendship from generation to generation.

"Past experience, if not forgotten, is a guide for the future," Jiang told Bunhei Hara, President of the House of Councillors of the Japanese Diet, the parliament.

He called the Japanese invasion the "unfortunate historical period" between the two countries.

ROK Urges Japan To Take Action on Nagano Remarks

OW0605112194 Beijing XINHUA in English 0932
GMT 6 May 94

[Text] Seoul, May 6 (XINHUA)—South Korea today urged Japan to clarify its justice minister's remarks related to World War II and take "appropriate" action.

It was nothing short of "throwing cold water on efforts by both countries to improve South Korea-Japanese relations for an incumbent cabinet minister to make such remarks," South Korean Foreign Minister Han Sung-chu told Japanese Ambassador Goto Toshio in a meeting here.

In an interview with the Japanese national newspaper MAINICHI Tuesday [2 May], Shigeto Nagano, Japan's newly-appointed justice minister, claimed that his country wanted to liberate Asian colonies from European imperialism during World War II.

He also dismissed the "rape of Nanjing," in which Japanese soldiers killed some 300,000 Chinese civilians in 1937, as "a hoax."

Nagano's remarks immediately raised anger in South Korea, a victim of three decades of Japanese colonial rule before its liberation at the end of World War II.

Han said Nagano's remarks have greatly shocked the South Korean Government and people. He added, "Such distorted historical perspective is very regrettable."

Demanding action on the incident, the South Korean foreign minister said that Tokyo should take "appropriate measures" for Nagano's remarks.

However, former Japanese Prime Minister Morihiro Hosokawa who left office last week, called World War II "a war of aggression" and said it was wrong.

On Wednesday, new Japanese Prime Minister Tsutomu Hata described as "inappropriate" the remarks made by his justice minister about the killing of an estimated 300,000 Chinese civilians by Japanese troops.

"My view on the past history is that our past actions, including aggression and colonial rule, caused unbearable suffering and sorrow for many people," Hata said in a brief statement shortly after arriving in France for a two-day official visit.

Nagano Recants Remarks on Nanjing Massacre

OW0605113694 Beijing XINHUA in English 1045
GMT 6 May 94

[Text] Tokyo, May 6 (XINHUA)—Justice Minister Shigeto Nagano, who described days ago the 1937 Nanjing massacre as a "hoax," withdrew his remarks today in the face of mounting criticism both at home and abroad.

"My remarks on the historical incident (of the Nanjing massacre) which I made the other day were inappropriate, so I would like to retract them," he told a press conference in the Justice Ministry.

The newly appointed minister told the "MAINICHI SHIMBUN" in an interview Tuesday that he believed the Nanjing massacre "is a fabrication" and it was wrong to say "Japan's invasion of neighboring nations before and during the (Second World) War was an act of aggression."

The now-defunct Imperial Japanese Army troops killed more than 300,000 Chinese civilians in Nanjing City of Jiangsu Province in east China in December 1937, historians say.

Nagano's comment denying the historical facts sparked sharp criticism from other Asian countries, which suffered bitterly under Japan's military heels.

"Yesterday, Prime Minister (Tsutomu) Hata said in Paris regarding our country's history that our country's aggression and colonial rule (of its Asian neighbors) inflicted unbearable suffering and sorrow on many people," the minister said.

He acknowledged that the massacre is an "undeniable fact."

Nagano, who is a member of Hata's Shinseitō (Japan Renewal Party), also said he "feels fully responsible" for the war remarks and was willing to accept Hata's decision over his future.

Hata, now on a four-nation European tour, criticized Nagano's remarks Wednesday as "inappropriate" and admitted Japan's wartime atrocities, saying the Japanese should not repeat such mistakes.

Earlier today, Japan's second largest opposition party, the Social Democratic Party, urged Hata to fire the justice minister for what he has said.

Nagano, 71, graduated in 1941 from a former elite Japanese military academy and took part in the 1937-1945 war of aggression against China as an Army officer.

He joined the Ground Self-Defense Force after the end of the war and moved up to the top rank of chief of staff before he retired from the military in 1980.

Southeast Asia & Pacific

Peng Peiyun Meets Philippine Visitors

OW0505142094 Beijing XINHUA in English 1146
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—Chinese State Councillor Peng Peiyun met with Guia Gomez Estrada, president of the Working Shoulder-To-Shoulder for Progress of the Philippines, and her party here today.

The two sides exchanged views on furthering the contacts between women of China and the Philippines.

Referring to the 4th world women's conference to be held here next year, Peng, also chairman of the Women and Children Work Committee of the State Council, told Estrada that the Chinese Government attaches importance to the meeting and the departments concerned are vigorously making preparation for it.

Estrada said that she and her party will make efforts to let more Philippine women know about the meeting and contribute to its success.

Estrada and her party arrived here yesterday as guests of the All-China Women's Federation. Apart from Beijing, they are also scheduled to visit Shanghai, Hangzhou and Guangzhou.

Yunnan Governor Leaves for Cambodia, Thailand, Burma

OW0505141894 Beijing XINHUA in English 1312
GMT 5 May 94

[Text] Kunming, May 5 (XINHUA)—He Zhiqiang, governor of southwest China's province of Yunnan, left here today for a visit to Cambodia, Thailand and Myanmar [Burma].

The governor is expected to have discussions with senior officials of the host countries on regional cooperation on the upper reaches of the Lancang-Mekong River, an official accompanying the governor said.

He will also exchange views with his hosts on specific projects of cooperation in tourism, transport and other areas.

Singapore 'Optimistic' About Economic Outlook

OW0505091194 Beijing XINHUA in English 0836
GMT 5 May 94

[Text] Singapore, May 5 (XINHUA)—The Singapore Government and Singapore companies are optimistic about the economic outlook for China, and are "deeply

impressed" by China's achievements, Ker Sin Tze, minister of state for information and the arts, said here today.

The Singapore Government and Singapore companies are also "confident that China's policies of modernisation and growth are irreversible," Ker, who is also the minister of state for education, said at the official launch of the manpower training programme for Shandong personnel.

Noting that the economic relations between China and Singapore have progressed steadily, Ker revealed that Singapore companies have invested nearly one billion U.S. dollars in China, cumulatively.

In 1993, bilateral trade expanded by 25 percent to reach a record of 4.3 billion U.S. dollars, he said, adding that in the first two months of this year, trade between the two countries had already exceeded 625 million U.S. dollars, or 30 percent more than the same period of 1993.

He also said that the cooperation between Singapore and China's Shandong Province created ample opportunities for trade and investments, not only for the two countries, but also for bringing in third countries like Germany into partnership to develop the potential of Shandong Province.

The German state of Bavaria has signed a letter of intent with Singapore and Shandong Province to explore possibilities for greater tripartite economic cooperation.

In regard to the manpower training programme for Shandong personnel, the minister said, "It is an important component of Singapore's economic ties with Shandong," since Singapore is ready to share its know-how in economic management, urban planning and public administration with China.

"Singapore's experience may be relevant to China at its present stage of modernisation, if it is adapted to fit China's conditions and needs," he said.

Singapore, Shandong Trade Cooperation 'Booming'

OW0505075794 Beijing XINHUA in English 0729
GMT 5 May 94

[Text] Jinan, May 5 (XINHUA)—Economic and trade co-operation between east China's Shandong Province and Singapore is booming.

By the end of last year the economically-developed province had approved the establishment of 230 enterprises funded by Singapore business people.

The first such enterprise was set up in 1985.

A provincial official in charge of foreign investment said that Singapore-funded projects are on a large scale, with the contracted investment averaging 2.6 million U.S. dollars.

Of the projects concluded last year, the official noted, 123 were Sino-Singapore joint ventures and 27 were solely funded by the Singapore side.

These projects are distributed in 16 prefectures and cities, with the coastal cities of Qingdao, Yantai and Weihai being the main locations. They are involved in the fields of food processing, textiles, building materials, electronics, real estate, tourism and information consultancy.

Last year saw Shandong's foreign trade with Singapore total 220 million U.S. dollars, accounting for three percent of the province's total.

Near East & South Asia

First Indian Electronics Delegation To Visit

OW0305044294 Beijing XINHUA in English 0416
GMT 3 May 94

[Text] New Delhi, May 3 (XINHUA)—India is to send its first electronics delegation to China.

Organised under the aegis of the Electronic Component Industries Association (Elcina), the delegation is inspired by the soaring demand for components in the Chinese electronics industry and that China could be a future source for some critical components and inputs for the Indian industry at very competitive prices.

The delegation will also explore business opportunities and study the sweeping changes in China's special economic zones.

It will also visit a number of factories and examine benchmark of infrastructure and cost, and compare the export and import policies and incentives of the two countries. [sentence as received]

Telecom is another area where the delegation will be doing a lot of exploration.

India and China are slated to contribute the maximum number of telephone lines in the world telecom network in the next six years and the delegation will be comparing notes with their Chinese counterparts.

Indian Minister Welcomes Cultural Festival

OW0305061194 Beijing XINHUA in English 0540
GMT 3 May 94

[Text] New Delhi, May 3 (XINHUA)—India hopes the growing Sino-Indian relations would receive "a cultural thrust" with the first ever foreign cultural exposition opening in Beijing on May 9.

This was expressed by the Indian Human Resource Development Minister Arjun Singh last night when he was addressing a press conference here.

The minister will inaugurate the festival which opens with the performing arts components strung together to play up the main theme of "harmony."

The festival would last for 51 days. It was devised by the Indian Council for Cultural Relations as a multi-discipline extravaganza covering fine arts and folk arts, handicrafts and textiles, a seminar on literary traditions with eminent writers participating and an exhibition on English books published in India.

A fashion show with emphasis on Indian motifs in contemporary garments and a film festival with eight feature films would also take place.

India and China can benefit through mutual cooperation as both the nations have deep cultural relations and common interests, the Chinese Ambassador to India Cheng Ruisheng said while addressing the Fifth National Conference of Indo-China Friendship Society here yesterday.

He welcomed the exchange of cultural and other delegations between the two countries for closer understanding.

India is the first country ever to make a major cultural appearance in China in its recent history.

Ren Jianxin Meets Bangladesh Law Minister

OW0505142694 Beijing XINHUA in English 1251
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—Ren Jianxin, president of China's Supreme People's Court, met with Mirza Golam Hafiz, Bangladesh minister of law and justice, here today.

Ren briefed Hafiz, whom he called as an old friend of the Chinese people and "friendship ambassador", on China's reform and opening-up and the building of democracy and legal system in the country.

Hafiz, long-time president of the Bangladesh-China Friendship Association, arrived here on April 22 for his 15th trip to China as guest of Chinese Ministry of Justice and the Chinese People's Association for Friendship With Foreign Countries.

Chinese Minister of Justice Xiao Yang and Bangladesh Ambassador to China M. Rahman attended the meeting.

Association Confers Title on Bangladesh Minister

OW0405132094 Beijing XINHUA in English 1257
GMT 4 May 94

[Text] Beijing, May 4 (XINHUA)—The Chinese People's Association for Friendship With Foreign Countries (CPAFFC) conferred the title of "friendship ambassador" upon Mirza Golam Hafiz, minister of Bangladesh law and justice, here this afternoon.

In a speech delivered at the conferring ceremony, President Han Xu of CPAFFC said Hafiz, also president of the Bangladesh-China Friendship Association, has devoted himself to strengthening friendship between the two countries since the 1950s.

As a well-known statesman in Bangladesh and an old friend of the Chinese people, Hafiz has held to the one-China policy and promoted official and people-to-people exchanges for decades, Han added.

Hafiz expressed his thanks to CPAFFC, saying that the title he gained is not only an honor for himself but also for the people of Bangladesh as a whole.

He Kang, president of the China-Bangladesh Friendship Association, also spoke at the ceremony.

Among those attending the ceremony were Bangladesh Ambassador to China Mustafizur Rahman and his wife.

Hafiz and his party arrived here on April 22 as guests of CPAFFC and the Chinese Ministry of Justice.

Sub-Saharan Africa

Jiang Zemin Congratulates Mandela on ANC Victory

OW0505050494 Beijing XINHUA in English 0238
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—Chinese President Jiang Zemin today sent a message to Nelson Mandela congratulating him on the victory of the African National Congress (ANC) in the first all-race election in South Africa.

Jiang said that the ANC's victory is "a historic milestone in the South African people's quest for liberation."

"The victory has not only freed the South African people from racist oppression, but also made a monumental contribution to mankind's endeavor to eradicate racism once and for all," said Jiang.

Jiang said that the Chinese people have "all along firmly supported the African people in their just struggles and are rejoiced at their victory."

"We are looking forward to the smooth formation of a government of national unity in South Africa, and are convinced that under the leadership of your excellency and the government of national unity, the new South Africa will become a non-racial, stable, democratic and prosperous nation," said the president.

Kenyan President Arrives in Beijing 5 May

OW0505135794 Beijing XINHUA in English 1126
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—Kenyan President Daniel T. arap Moi arrived here today after winding up his first two days' state visit to China in Yunnan Province and Shenzhen, Guangdong Province.

The president and his delegation, accompanied by Chen Changben, chairman of the Chinese Reception Committee and vice-minister of culture, were greeted at the airport by Wang Changyi, assistant to Chinese foreign minister, senior officials from other government departments and Beijing-based diplomats from African countries.

Also arriving were other members of the delegation including S.K. Musyoka, minister of foreign affairs and international cooperation, J.J. Kamotho, minister of education, K. Kones, minister of state in the president's office, and P.L. Lotodo, minister of home affairs and national heritage.

President Moi arrived in Kunming Tuesday where he met with local government officials and visited the ethnic minorities village in Kunming and the Kunming pharmaceutical plant.

This morning, the president visited the industrial exhibition and the "miniature China" park in Shenzhen. China's reform and the opening to the outside world have accelerated city's economic growth, Moi said, hoping that Kenya would strengthen cooperation with the city.

The president is expected to hold official talks with Chinese president Jiang Zemin Friday.

Political & Social

Draft of Public Order, Land Laws Explained

OW0605105194 Beijing XINHUA Domestic Service in Chinese 1127 GMT 5 May 94

[Unattributed report]

[Text] Beijing, 5 May (XINHUA)—The State Council today submitted two proposals to the Seventh Session of the Eighth National People's Congress [NPC] Standing Committee, requesting it to examine the draft PRC Law Governing the Management of Urban Real Estate, and the draft supplementary regulations to the PRC Regulations for Controlling and Punishing Public Offenses.

In the proposal requesting the session to examine the draft law governing the management of urban real estate, Premier Li Peng said the objectives of this law are to improve the management of urban real estate, maintain the real estate market's order, protect the legitimate rights and interests of real estate owners, and bring about a healthy development in the real estate business.

In the motion requesting the session to examine the supplementary regulations to the PRC Regulations for Controlling and Punishing Public Offenses, Li Peng says that, since their promulgation on 1 January 1987, the regulations have played an important role in maintaining public order and safeguarding social stability. However, because of the changes in public order and the appearance of certain new situations and problems, the regulations should be supplemented.

Premier Li Peng added that the State Council's executive meetings have discussed and adopted the two drafts.

At this morning's session, Vice Construction Minister Ye Rutang and Public Security Minister Tao Siju respectively explained these two drafts at the State Council's request.

Ye Rutang said: The real estate business is a basic business preceding economic development, and it is one of the national economy's pillar industries. The real estate business' development not only provides the basic material foundation and precondition for economic development, but also can help improve city dwellers' living conditions and create an important avenue of financial resources for the state. Because of the important role the real estate business plays in the national economic and social development, it is objectively essential to regulate, guide, promote, and protect it by law.

He said: China's real estate business has been developing rapidly since the Third Plenary Session of the 11th CPC Central Committee, and especially since the systems governing the compensatory use of state-owned urban land and the comprehensive development and construction of real estate. In 1992 after Comrade Deng Xiaoping gave his important talks during his inspection in southern China and after the 14th CPC Congress was

convened, both reform and construction have expedited, and development of the real estate business entered a new stage. Meanwhile, following the rapid development of the real estate business, certain problems badly needing a solution have appeared. The main problems are: loss of control in the total supply of construction land and loss of the state's land resources as a result of the craze in leasing land and building development zones; irrational investment in real estate development and excessive establishment of real estate development businesses; and unregulated trade, chaotic prices, serious land and real estate speculation, and loss of incomes from state-owned land as result of defective mechanisms governing the real estate market. Fundamental solutions to these problems lie in codifying real estate management.

On the guidelines for drawing up the law governing urban real estate management, Ye Rutang said: 1) In accordance with the decision made by the Third Plenary Session of the 14th CPC Central Committee, the law should provide that the state will monopolize the primary market of urban land so as to prevent the loss of land resources; and that mechanisms ensuring a normal real estate market should be established so that real estate development and trade can be managed more efficiently. 2) Attention should be paid to establishing a basic system for managing real estate, to coordinating the relationship between this law and other relevant laws and administrative regulations, and to reflecting the principle that the subjects [zhu ti 0031 7555] having the right to use state-owned land in cities and the right to own the houses on the land should be the same [yi zhi 0001 5268]. 3) The law's scientific attributes and its practicality should be integrated. On the basis of reviewing the experiences and lessons gained and learned from recent years' real estate development, we have codified the experiences of success and measures that can be put into practice with some efforts; deferred writing into the law those measures which are unlikely to be carried out today and in the time to come; and stipulated in principle those measures which conform to the policy for reform and development, but which cannot be carried out now owing to a lack of experience. In such a way we will have room for change and these principles can be reinforced and improved when conditions are ripe.

Ye Rutang also elaborated on what and where the law will make adjustments, ~~land~~ for real estate development, real estate development businesses, regulation in the real estate market, and real estate registration and licensing.

Tao Siju said in his explanation that the Regulations for Controlling and Punishing Public Offenses have played an important role in maintaining social security and order and safeguarding social stability since they became effective. However, he said, owing to changes in public security and the appearance of certain new situations and problems, certain acts that disturb social order, jeopardize public safety, and are detrimental to public interests cannot be handled because the regulations have

no provisions for handling these acts. He said: The draft supplementary regulations have prescribed 18 additional punishable public offenses. The types of these offenses and the principles for punishing them are the same as those in the original regulations. Punishing these offenses which exist in real life and which jeopardize social security are absolutely essential for intensifying control of public order; for safeguarding social order, public safety, and public interests; for protecting citizens' legitimate rights and interests; and for safeguarding the progress of reform, opening up, and socialist modernization.

NPC Official on Copyright Infringements, Punishment

OW0505132594 Beijing XINHUA Domestic Service in Chinese 1007 GMT 5 May 94

[Unattributed report]

[Text] Beijing, 5 May (XINHUA)—China regards serious copyright infringement as a felony subject to criminal punishment. The National People's Congress [NPC] Standing Committee Legislative Affairs Committee today submitted its draft decision on punishing copyright infringements to the Seventh Session of the Eighth NPC Standing Committee for examination.

At the request of the meeting of the NPC Standing Committee chairman and vice chairmen, Gu Angran, chairman of the NPC Standing Committee Legislative Affairs Committee, explained the draft decision at the session today.

Gu Angran said: Ever since the Copyright Law was drawn up in 1990, it has played an important role in protecting authors' copyrights and their copyright-related interests, in promoting the development of socialist culture and science, and in promoting socialist ethics and material progress. However, certain lawless elements, in order to reap huge profits, have acted rampantly in pirating books, audio and videocassette tapes, and computer software. Their piracy not only has seriously infringed on the rights and interests of the authors and copyright holders but also has upset the normal order of the market of socialist culture and economic activities and has disturbed the development of the nation's economic relations and trade, as well as cultural and scientific exchange and cooperation with other countries. Such serious copyright infringements must be punished as a crime. GATT also demands that domestic laws must have provisions for punishing infringements of intellectual property rights.

Gu Angran said: Under this draft law, the following serious copyright infringements are considered as crimes: First, they fall under any one of the following copyright infringements for purposes of making profits, and the amounts of unlawful income are quite substantial, or the case is serious in some other respects: 1) reproducing the copyright holders' works without their permission; 2) publishing others' copyrighted books; and

3) reproducing audio and video products without their producers' permission. Second, marketing apparently pirated products mentioned above for purposes of making profits, and the amounts of unlawful incomes are quite substantial. This includes exporting or importing and marketing apparently pirated products mentioned above, and the amounts of unlawful incomes are quite substantial.

As for penalties for copyright infringements, Gu Angran said: Because copyright infringements are primarily for unlawful economic interests, the infringers, in addition to being deprived of their personal freedom, must also be harshly penalized economically. Based on Chinese law's penalty for the infringement of industrial property rights as well as foreign countries' criminal sanctions against copyright infringements, the draft decision provides that infringers shall be sentenced to prison for up to five years, criminal detention, and/or fines according to the amounts of their unlawful incomes or the seriousness of their cases. The draft decision also provides that all the pirated products, unlawful incomes, materials, tools, equipment, and other assets used by units or individuals for copyright infringements shall be confiscated. If a unit has been found guilty, the unit shall be fined and its administrators and other personnel directly responsible for the crime shall be punished according to the aforementioned regulations.

Copyright Violators To Receive 5 Years' Imprisonment

OW0505144194 Beijing XINHUA in English 1423 GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—Chinese copyright violators will henceforth be faced with imprisonment of up to five years, detention, and/or fines.

This has been provided in a draft decision on punishing criminals who violate copyrights submitted to the Standing Committee of the National People's Congress (NPC), China's legislature, for deliberation today.

The draft decision also designated that all reproductions that violate copyrights, illegal income from them, and materials, tools, facilities and other property used for this purpose will be confiscated no matter whether they belong to an individual person or a work unit.

Director of the Legislative Affairs Work Committee of the NPC Standing Committee Gu Angran explained to the legislators that piracy of books, audio and video tapes, and computer software has become quite rampant in recent years, in illegal attempts to reap huge profits.

"This has infringed upon the rights of the authors and destroyed the normal order of the socialist cultural market and economic activities," said the director.

"It has also affected foreign trade of the country and its cultural and scientific exchanges and cooperation with

foreign countries," he said, adding that perpetrators of this kind of activity should be severely punished.

The legal expert stressed that the General Agreement on Tariffs and Trade (GATT) also demands judicial punishment in domestic laws for such crimes violating intellectual property rights.

The draft decision also provides that those who sell illegal reproductions with clear knowledge of their origin and have illegally reaped large sums of money will be punished with two years' imprisonment, detention and/or fines; if their illegal profits are especially big, they will be punished with two to five years' imprisonment, together with fines.

Jiang Zemin Intervenes in Jiangsu Township Plight

OW0505112594 Beijing XINHUA Domestic Service in Chinese 0733 GMT 4 May 94

[Article by RENMIN RIBAO reporter Gong Yongquan (7895 3057 3123) and XINHUA reporters Yuan Yanghe (5913 7402 0735) and Zhou Zhenfeng (0719 2182 0023): "A New Song of Yitao"]

[Excerpts] Nanjing, 4 May (XINHUA)—XINHUA editor's note: Yitao Township, Jiangsu's "number one poor township," has greatly improved its situation in two years. The peasants there have written a "New Song of Yitao" and sing it everywhere. "New Song of Yitao," praising the blood-and-flesh ties between our party and the people, is both thought-provoking and inspiring.

The rural primary party organizations are the party's important foundation for accomplishing its rural work. The great changes of Yitao Township have shown to people that the party's rural principles and policies are in line with the people's aspirations. So long as there is a leader who is ideologically correct, displays a good work style, and has the courage to pioneer, the enthusiasm of the masses will be aroused, their strength will be pooled, and a poor village can quickly improve its situation. (end of editor's note) [passage omitted]

Yitao is an old revolutionary base area on the lower reaches of the Yishu He and it is named after Zhu Yitao who was a native here and a revolutionary martyr. After liberation, the cadres and people here made great efforts to develop production and Yitao was once very famous in the Chang Jiang and Huai He region. However, some cadres here changed their work style several years ago. They indulged in eating and drinking extravagantly and squandering public funds. They also wantonly collected fees and fines and wantonly apportioned expenses and work among the people. There was a strong resentment among the people. During a visit here two years ago, the reporters heard the villagers sing a song: "Yitao peasants oppose 'three wanton practices'" [passage omitted]

The lyrics of the song was written by Sun Zhonghua, a villager of Wandui Village of Yitao Township. [passage omitted]

The reporters visited all villages in the township and saw that many villagers were living in shabby thatched huts and some of them did not even have food in their home. So, the reporters truthfully reported to the departments concerned Yitao's serious problem, the peasants' plight, and their song.

After General Secretary Jiang Zemin heard about the song, he issued an important instruction on improving the situation of Yitao. The Jiangsu Provincial CPC Committee was determined to solve problem for the "number one poor township." [passage omitted]

In 1992 spring, the Shuyang County CPC Committee appointed Chen Xueping, a young cadre, to serve as the secretary of the Yitao Township Party Committee. Chen Xueping is a "trouble-shooter." [passage omitted]

The township party committee deems it an important task to reduce the peasants' burden. In 1993, the peasants' burden was reduced by 710,000 yuan. [passage omitted]

The party committee also helped raise funds, successfully built 10 electric pumping stations and 500 auxiliary projects, and turned 35,000 mu of dry land into rice paddies which ensure stable yields despite droughts or excessive rains. [passage omitted]

In 1993, Yitao Township, with industrial and agricultural output value exceeding 120 million yuan, became the first township of the "100-million-yuan category" in the county. [passage omitted]

Qiao Shi Marks 'Youth Day,' Receives Youths

OW0405133994 Beijing XINHUA in English 1312 GMT 4 May 94

[Text] Beijing, May 4 (XINHUA)—Qiao Shi, chairman of the Standing Committee of the National People's Congress, said here today that Chinese youngsters should adhere to the basic line of the Communist Party of China (CPC) and shoulder the historic responsibilities of promoting the country's development.

Today is China's "May 4th" Youth Day. It is also the 75th anniversary of China's "May 4th Movement" of 1919, an anti-imperialist, anti-feudal political and cultural movement led by intellectuals imbued with the rudiments of communist ideology.

Qiao Shi, who is also a member of the Standing Committee of the Political Bureau of the CPC Central Committee, presented a "Chinese youth volunteers" flag to eight young volunteer service teams at the Great Hall of the People this morning.

At the flag presentation ceremony, Qiao said that China now is in a critical period of historical development. The

realization of the great goal of the country's development depends on youngsters' hard work, he said.

He expressed the hope that organizations of the Chinese Communist Youth League (CCYL) will further develop youngsters' voluntary service activities and make more contributions to China's socialist construction.

He also urged Chinese young people to carry forward the spirit of patriotism and collectivism and train themselves to be qualified personnel for the next century.

The young volunteer activities were sponsored by the CCYL Central Committee last December. The eight volunteer service teams will go to poor areas in the country to help develop local economies, eliminate illiteracy and provide health services.

Vice-Premier Li Lanqing also conferred "youth civilization models" plaques on six exemplary youth groups from China's public transportation departments here today.

Some 10,000 Beijing young people took the CCYL oath on joining the organization at Tiananmen Square today. More than one million new Youth League members also took the oath in other parts of the country.

Li Tieying Views Holding Art Festival in Gansu

OW0405140394 Beijing XINHUA Domestic Service in Chinese 1016 GMT 5 Apr 94

[Text] Beijing, 5 Apr (XINHUA)—After being briefed on the preparations of the fourth Chinese art festival, Li Tieying, member of the CPC Central Committee Political Bureau and state councillor, pointed out recently that the art festival must be brilliant but economical, and that it must have special characteristics. He said the spirit of reform should be displayed in finding a way to make the festival a success, to promote culture and art, and to expedite economic development and social progress in all fields.

Chairing a meeting held on 21 March to study and coordinate preparations for the fourth Chinese art festival, Li Tieying was briefed by the Ministry of Culture and the Gansu Provincial People's Government on the preparations for the festival. Li Tieying said: Each and every art festival must have its special characteristics, otherwise it will be dull. While we have national sports meets, we also should have art festivals. Both are important, and the two are similar in terms of sizes and the ways they are held. While proceeding with economic modernization, we must also expedite cultural and art development. We must attach importance to achieving a unity between artistic effects and economic results, making sure that the festival will help local economic development. While there should be performances staged by professional artists, there should also be cultural and art activities of the masses, as well as popular shows, so that the involvement of the masses will inspire

them and boost their morale. While emphasizing Chinese culture, the festival should also pay attention to promoting international exchange so that the festival will become an arena for promoting friendship and contacts between China and the rest of the world, and so that the festival will reflect its objectives of promoting prosperity, solidarity, and progress.

Li Tieying stressed: We should sum up our previous experiences in holding festivals and sports meets, such as the good experiences which Guangxi and Yunnan have respectively gained in holding the sports meet of minority people and the third Chinese art festival. We can also follow the experiences of foreign countries. Anything we do today needs money, but we cannot count on the state to take care of everything. Thrift is one principle we must follow in carrying any public projects. We cannot afford not to economize when holding nationwide projects. We cannot go on to launch these projects if they have become increasingly expensive. We must encourage people to work as volunteers. Only when more people are involved will there be greater social results. Li Tieying hoped the art festival will be held more successfully on the basis of summing up previous experiences.

Li Tieying urged relevant departments of the CPC Central Committee and the State Council to work with greater coordination, support all festival projects, and help solve problems so that the art festival not only will be a success itself, but will also expedite reforms and development in Gansu and northwest China.

The fourth Chinese art festival, which is scheduled to take place in Lanzhou, capital of Gansu, from 18 to 28 August 1994, will be sponsored by the Ministry of Culture with support from the Gansu Provincial People's Government and the Foundation for Chinese Art Festival. The theme of the forthcoming art festival is: Solidarity, Reform, Prosperity; Bringing Together the Best of Art, and Fostering the National Culture. The general guideline for the art festival and its specific projects have been basically determined, and all preparations have started.

Chen Changben, vice minister of culture; Sun Ying, deputy secretary of the Gansu Provincial Party Committee; and Chen Yiling, vice governor of Gansu, briefed Li Tieying on the preparations for the fourth Chinese art festival. Comrades in charge of relevant departments under central and state organs were present at the meeting.

The meeting also studied the problems encountered during the preparations and came up with some solutions.

Wen Jiabao Inspects Rural Hebei 4-6 Apr

OW0505095894 Beijing XINHUA Domestic Service in Chinese 0752 GMT 7 Apr 94

[By HEBEI RIBAO reporter Kang Enhua (1660 1869 5478) and XINHUA reporter (0719 0679 0112)]

[Text] Shijiazhuang, 7 Apr (XINHUA)—During his recent trip to rural Hebei to inspect spring plowing and production, Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat, stated: Spring plowing and production is now the leading task in agriculture and rural work. All localities should take effective measures to ensure bumper summer grain harvests and to lay a solid foundation for bumper harvests throughout the year.

From 4 to 6 April, Wen Jiabao visited Xushui, Rongcheng, and Dingxing in Hebei to assess the growth of wheat crops, as well as preparations for plowing and sowing on cotton fields. He also visited peasants' households, and held informal discussions with grass-roots cadres, peasants, and people. He carried out investigations and studies on such matters as spring plowing and production, as well as the supply of agricultural means of production.

Wen Jiabao said: The overall situation of reform, development, and stability is contingent on accomplishing this year's rural work; on bringing about quite favorable developments in agriculture and the rural economy; and on ensuring the production and supply of grain, cotton, cooking oil, and nonstaple foodstuffs in the "shopping basket." All localities should seriously implement the guidelines of the central rural work conference, earnestly give priority to agriculture and rural work, complete all tasks related to agriculture and rural areas for this year, and create a good economic environment and a stable social environment for the smooth implementation of major state reform measures and for the sustained, rapid, and healthy development of the national economy.

Wen Jiabao said emphatically: To accomplish this year's rural work, the most important task of the moment is to carry out spring plowing. He said: Ensuring bumper summer grain harvests as an initial step for the rest of the year could lay a good foundation for this year's bumper harvests. To this end, we must accomplish the following tasks: 1) Making overall plans for spring plowing and production, especially effectively implementing measures for increasing grain and cotton acreage and output, allocating seeds, and supplying agricultural means of production; 2) concentrating on field management for summer crops, popularizing crucial measures for increasing output, and raising unit yield; 3) providing materials, as well as technical and information services, for spring plowing and production, and tightening supervision and management over the market for agricultural means of production; and 4) improving disaster prevention and relief work, and ensuring spring sowing and summer harvesting through drought relief measures. He urged leading cadres at all levels to go into the thick of reality, work in a down-to-earth manner, unearth problems on a timely basis, solve problems, and accomplish this year's agricultural production and rural work.

Li Bingliang, deputy secretary of the Hebei Provincial CPC Committee, accompanied him during the trip.

Wang Zhaoguo Prefaces Album of Nonparty Personalities

HK0505102994 Beijing RENMIN RIBAO in Chinese
14 Apr 94 p 3

[Article by Wang Zhaoguo, chief of the United Front Work Department: "An Outstanding Achievement"—first paragraph is editor's note]

[Text] To give publicity to the CPC-led multiparty cooperative and political consultative system, the relevant department recently compiled the large picture album: "Famous Democratic Party and Nonparty Personalities of China." For the first time in China, this picture album comprehensively displays the features of Chinese democratic party and nonparty personalities, thereby portraying an angle of the success of cooperation between our party and personalities outside the party. Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and chief of the CPC Central Committee's United Front Work Department, wrote the preface to the picture album.

The pace of history is advancing speedily toward the 21st century. A review of this century makes us understand that the main factors that have brought about profound changes in Chinese society are reform and revolution. Hearing the clarion call of the revolution, the predecessors and progressive forces of the Chinese revolution, represented by Sun Yat-sen, overthrew the reactionary rule of the Qing Dynasty, thus ending some 2,000 years of the feudal autocratic system in China. The Chinese communists, represented by Mao Zedong, led the Chinese people in overthrowing the three big mountains of imperialism, feudalism, and bureaucrat capitalism, thus making China arise in the East.

In the historic choice for reform, the Chinese communists, represented by Deng Xiaoping, have sought truth from facts, emancipated their minds, unswervingly taken the road of socialism with Chinese characteristics, and made world-renowned achievements.

One of the most outstanding achievements in this great, epic practice is the CPC-led multiparty cooperative and political consultative system.

This achievement has enabled the CPC to unite with all forces that can be united and to enjoy the broadest possible sympathy and support. This achievement has enabled a large number of Chinese with lofty ideals to find the glorious path to serving the motherland; participating in decisions on China's future and in the formulation of major state policies; and contributing their wisdom and efforts to the motherland's independence, freedom, democracy, and prosperity.

A philosopher once said that history will not forget those who created history. By providing pictures and explanations, this large picture album being presented to readers has collected for the first time the exploits of famous Chinese democratic party and nonparty personalities who have participated in creating this glorious history, so as to display their features to the whole country and the world. Without question, this achievement will become richer and more developed, and will shine with even more splendor in the historic course of peacefully reunifying the motherland and achieving the Chinese nation's great revitalization under the leadership of the CPC with Comrade Jiang Zemin as the core.

Beijing Adds 18 More Offenses Against Public Order

OW0505144294 Beijing XINHUA in English 1348
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—Punishments will now be handed out for transporting, selling, storing and using poppy capsules illegally; disturbing public order and damaging people's health through religious activities; and stirring up conflicts between nationalities, hurting unity of nationalities and inciting separation of nationalities.

These are three of the 18 new offenses which have been included in the draft supplementary provisions to the regulations governing offenses against public order, which was submitted to the current session of the Standing Committee of the National People's Congress (NPC), China's legislative body, for deliberation this morning.

Minister of public security, Tao Siju, explained to the session that along with the present changing social order, some new problems and offenses have occurred which have disturbed the social order and public security and hurt public interests.

"However, the original regulations had made no provisions about these activities and it has become difficult to handle these cases according to law," said the minister.

The existing regulation was put into effect on January 1, 1987.

Other newly prescribed offenses include:

- disobeying the provisions on the management of social organizations, and carrying out activities under the name of a social organization without registration; or to keep on working under the name of social organization after its registration was revoked, it has been ordered to disband, or simply banned;
- organizing activities of superstitious sects and secret societies to disrupt public order, do harm to the public interest, or damage people's health through feudal superstition;

—disobeying supervisory provisions while undergoing a period of being put under surveillance, or deprivation of political rights, probation with suspended prison sentence or being paroled.

Those who commit such offenses, but not to the extent to be punished according to criminal law, will be put under 15 days detention, with fines of up to 200 yuan or a warning.

Meanwhile, those fabricating or distorting facts, spreading rumors or otherwise disrupting public order, or doing harm to the public interest through other means, will be put under 15 days detention and ordered to write a confession or warning, if the offenses are still not severe enough for criminal punishment.

Article Reveals Problems in Rural Public Order

HK0405132194 Beijing FAZHI RIBAO in Chinese
3 May 94 pp 1-2

[Article by staff reporter Sun Chunying (1327 2504 5391): "A Comprehensive View of Public Order in Rural Areas"]

[Text] I.

What is the present situation of public order in rural areas after all? This is an issue about which people are universally concerned.

Since reform and opening up, party committees, governments, and functional departments in various localities have focused closely on economic construction as the central task, persisted in building the material and spiritual civilizations simultaneously, and put into comprehensive effect various measures for the overall control of social security, so that the public order situation in rural areas is generally stable. People longing for stability and good order are the mainstream of rural society at present.

It is also necessary, however, to note calmly that the public order problem remains comparatively conspicuous in some rural areas. A small number of places are in a state of chaos, and the situation in a few places—where peasants have expressed strong feelings of dissatisfaction—is relatively serious.

What are the manifestations of prominent problems concerning social security in rural areas at present?

In recent years, crime has increased continuously in rural areas. In a few places, serious cases of violence—including murders, explosions, injuries, and other incidents—have increased by a larger margin than in cities. According to statistics, there were more than 1.61 million cases of crime throughout the country in 1993. Of this total, serious offenses exceeded 530,000. In rural areas, the total number of cases exceeded 750,000, and serious cases numbered more than 160,000.

Various kinds of evil forces—including "village tyrants [ba 7218]," "land tyrants," "water tyrants," "grain tyrants," and so—on have emerged in a small number of rural areas and become a ferocious force that has jeopardized social security. Some of them have even become gangs of an underworld nature. According to the study and analysis of these gangs, it has been discovered that a great majority of them are composed primarily of former criminals who were released after having served their prison terms, but who refuse to mend their evil ways. They have rounded up groups of rural hooligans who were idling about and doing indecent things. These groups have gathered together, acting like overlords [ba 7218] and endangering public order in rural areas. Some gangs have engaged in frenzied criminal activities, such as theft, robbery, rape, blackmail, and so on.

"Train robbers and highwaymen" have run rampant, darting here and there to commit crimes, and seriously affecting rural economic development. Criminals have conducted their evil activities unscrupulously and in broad daylight, which has made passengers and drivers tremble with fear.

The problem of lawbreaking activities conducted by people from other localities is particularly conspicuous in those areas that are relatively developed economically. It has been learned that in the river valley areas of northern and southern Jiangsu, the alien population accounted for more than 60 percent of the crimes committed, and for more than 80 percent in some areas. As "nowhere under the sun is a better place to make money than Guangdong," in a large number of cities and counties in the economically developed Zhu Jiang Delta area, convicts on the run and the alien population accounted for more than 70 percent of the crimes committed, with the figure reaching 95 percent in some localities.

Activities aimed at seizing properties, which include stealing or looting the facilities of state key construction projects, oil fields, power stations, waterworks, and other installations, as well as railroad and highway materials, are extremely serious.

Incidents of armed fighting by the masses, which were triggered by disputes over land, forests, irrigation, roads, clans, and other causes, have increased. According to statistics from the public security departments or bureaus in 24 provinces, autonomous regions, and municipalities, there were more than 600 cases of mass armed fighting in rural areas in 1993, which caused some 100 deaths, approximately 1,000 injuries, and direct economic losses amounting to more than 6 million yuan.

The forces of rural patriarchal clans have revived in some areas, and activities related to feudal superstition and reactionary secret societies have gained ground to some extent. In a small number of areas, there emerged a situation in which clan forces even stood up as equals to grass-roots party and government organs, in a vain attempt to take their places.

The ugly social phenomena of practicing prostitution, patronizing prostitutes, and gambling—among others—are spreading in rural areas, and such lawbreaking activities as abducting and selling women and children are very serious too.

II.

In the course of covering news at the grass-roots level, this reporter has learned that the increase in law-and-order problems in the countryside was brought about by complicated factors, but the primary reason was the ineffectiveness of leading bodies. In some localities, rural cadres paid attention only to economic work, while neglecting public order and the building of socialist spiritual civilization in the rural areas. As a result, law and order in some rural areas is out of control. In particular, some grass-roots party branches and village committees were not well-organized, were weak and loose, or even were paralyzed. This resulted in a situation in which no one was responsible for the maintenance of law and order. In some places, there was no village committee or village party branch at all, still less any organizations for public security and order. Some local public security committees existed in name only, and did not perform any function. As some people described the situation: "Good guys dissolved their organizations, and bad guys ganged up to do evil."

In the second place, the actual input of human and material resources into the maintenance of law and order in rural areas was far insufficient as compared with actual needs. This found expression in the fact that social management and public security functions were weakened; the comprehensive measures for the maintenance of law and order were not implemented effectively; the forces for guaranteeing public security in rural areas were insufficient, their organization was loose, and their management and operation were disorderly; and insufficient attention was paid to security work, the means were ineffective, and input was insufficient.

The large population and insufficient land caused a large number of surplus rural laborers, and the ineffective management of this population was also a major factor in the chaotic law-and-order situation. Although the surplus labor force was somewhat reduced—thanks to employment offered by town and township enterprises and by laborers traveling away from their homes to do business and seek work—many people in the countryside remained idle and were apt to become lawbreakers. Some of these people ganged up to do evil and harm the security of local communities. There are signs that crimes committed by peasants account for an increasing proportion of urban crime, and a large number of jobless peasants make up the "reserve force" for urban crime.

The rapid expansion of people's desire for consumer goods and their relatively low income formed a sharp contrast, and this also made some people lose their psychological balance and degenerate into lawbreakers. This tendency was particularly obvious among some

peasants who had a weak sense of morals and the law. They tended to fulfill their desires for getting rich by means of breaking the law. In addition, although the peasant masses—as compared with urban residents—gained real benefits from the adoption in the countryside of the contract responsibility system with remuneration linked to output, most peasants were still short of money. This was a deep-level problem that affected rural stability.

As for public security work, although great efforts have been made in recent years to consolidate law and order in rural areas, and a great deal of work has been done, this was still unsuited to the developing law-and-order situation in the countryside. In most places, there were only two or three people per rural police station, and there were even one-person stations. In some towns and townships there was no police station set up. Policemen have been working in difficult conditions. The insufficient numbers, shortage of operating funds, backward equipment, and other difficulties in police work also constrained the effective operation of law enforcement organs in the countryside.

III.

Effectively maintaining law and order in the countryside is an important condition for developing the rural economy. The central rural work conferences in 1993 and 1994 both set out strict requirements for the rectification of law and order in the countryside. In order to implement the central instructions properly, the Central Committee for Comprehensive Management of Public Security decided to focus efforts on solving problems in rural areas, where the incidence of crime was serious, and to strive to meet the peasants' expectations for solid results in improving the law-and-order situation.

Mou Xinsheng, vice minister of public security in charge of community law-and-order affairs, recently told this reporter: "The law-and-order problems in the countryside have occurred against the background of some major changes in people's thinking and mentality, and in the forms of economic and social organization in rural communities. Such problems are related to the situation in which organizational and management work was not suited to the rural work as a whole. Therefore, in the new situation we should actively study and explore new ways to strengthen rural public security work and to consolidate law and order in the countryside."

Some people of insight have said: In view of the current public order problems in rural areas and the fact that the proportion of crimes among peasants is rising, the public security organs should adopt measures more pertinent to this situation. The party committees and local governments at all levels should attach importance to guiding the rural public security work, and should increase actual manpower, material, and financial investment in rural public security work so as to meet the needs in the arduous public security tasks in rural areas.

Efforts should be focused on more sternly cracking down on the conspicuous criminal activities in the countryside, such as theft, robbery, murder, assault and battery, and the abduction of women and children. Anticrime campaigns should be launched in good time, on various scales, and in flexible forms so as to crack down on certain sensational crimes. In particular, the crackdown should be focused on criminal syndicates and evil-doing forces that endanger law and order in certain areas. At the same time, it is necessary to explore more effective ways of solving criminal cases and to enhance efficiency in the solution of cases.

Of course, the settlement of the existing problems in rural public order cannot rely only on the isolated work of the public security organs, but also must rely on the joint efforts of all circles in society and on the adoption of comprehensive measures.

When talking about this, Chen Jiping, member of the Central Committee for Comprehensive Management of Public Security and director of the committee's General Office, said: The primary issue is that party and government leaders at all levels must really shoulder political responsibility for ensuring the public security of local communities, actually strengthen leadership over the work of exercising comprehensive public security management, and support law enforcement departments in sternly cracking down on criminal activities that seriously harm law and order in rural areas. Second, it is necessary to actually consolidate the grass-roots party and government organizations in the countryside, and to restore and reinvigorate the paralyzed and semiparalyzed village organizations through comprehensive rectification in terms of ideology, work style, and organization. Third, the mass organizations for maintaining law and order should be strengthened, and the mechanisms for cooperation between local residents and the police also should be consolidated. In particular, the rural public security committees and the civil mediation committees should be organized properly. Fourth, legal education should be conducted for grass-roots cadres and the masses so that they will better understand the law, and will carry out activities to maintain law and order in their own communities according to the law. Fifth, attention should be paid to making good use of the surplus labor force in the countryside and to doing something effective to help peasants overcome poverty and get rich. Sixth, it is necessary to further improve relations between cadres and peasants, correctly handle various contradictions among the people, and prevent the intensification of such contradictions as may affect social stability.

Public security and order in the countryside are an important issue China faces in the late 20th century. As long as we do down-to-earth work with a realistic attitude, take effective measures, and mobilize the joint efforts of all quarters for comprehensive management, then we will change the worrisome situation in this regard into a gratifying one, and will bring order out of chaos. The successful settlement of this issue will have a

decisive impact on the vigorous and momentous process of modernization in our country, which has a large rural population, on into the 21st century.

XINHUA: NPC Standing Committee Session Opens

OW0505143394 Beijing XINHUA in English 1359 GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—The eight-day Seventh Session of the Standing Committee of the Eighth National People's Congress (NPC), China's legislature, opened here today.

The participants first heard reports on the examination on the draft laws on foreign trade and state compensation, and a draft decision on punishing violators in the management of companies and enterprises.

The reports held that the two draft laws and the draft decision, after repeated examination and revision, are generally feasible. They therefore proposed that the drafts be adopted by the Standing Committee of the NPC.

Tao Siju, minister of public security, read to the legislators draft supplementary provisions to regulations governing offenses against public order which, targeted at newly-emerging problems and phenomena, define 18 new offenses.

Yu Yongbo, director of the General Political Department, explained the draft amendments to the regulations on active service and rank of military officers of the People's Liberation Army.

He said that the revision of the two regulations was meant to meet increasing needs of the reform and construction drive of both the nation and the armed forces.

The revised draft amendment to the regulations on military rank spell out the disestablishment of first-class (highest rank) general. It also stipulates that no military rank will be granted to the chairman of the Central Military Commission, and the rank for vice chairmen of the commission is that of general.

The draft amendment to the regulations on active service takes two to three years off the ceiling age for officers of deputy-army level, officers at the level of deputy commander-in-chief for the greater military areas and officers with elementary professional posts.

According to a report on the draft Law on Management of Urban Real Estate, delivered by Vice Minister of Construction Ye Rutang, the development of the real estate industry will on the one hand provide the basic material foundation for urban economic growth, and on the other hand help improve the living standards of urban residents.

The minister said that the position of the real estate industry in the national economy and its role in social progress have obliged it to be standardized, guided, promoted and secured by law.

The draft decision on punishing criminals violating copyrights stipulates that copyright violators can meet with punishment ranging from five years in prison to detention and fines.

The legislators also heard explanations on the draft laws on judges and prosecutors made respectively by Supreme People's Court President Ren Jianxin and Procurator-General of the Supreme People's Procuratorate Zhang Siqing.

Ren said that for more than four decades China has not had a law on judges, who are both state functionaries and professionals. Legislation in the field is very necessary for the scientific and standardized management of custodians of the law, he said.

Zhang said the law on prosecutors is aimed at establishing a mechanism to restrict the behavior of prosecutors.

Today's meeting was presided over by Qiao Shi, chairman of the NPC Standing Committee.

Report on Leaders' Activities 23 Apr-5 May

OW0605075394

[Editorial Report] PRC media monitored by Okinawa Bureau carried the following reports on PRC Central leadership activities from 23 April to 5 May 1994. The source is noted in parentheses after each report.

Chen Yun Writes Book Title—The People's Publishing House and the Central Literature Publishing House have published "Biography of Ren Bishi," a book compiled by the CPC Central Committee's Party Literature Research Center as part of its series of biographies on first-generation CPC leaders. Chen Yun wrote the book's title. (Beijing XINHUA Domestic Service in Chinese 0719 GMT 23 Apr 93)

Wei Jianxing Receives Hong Kong-Macao Labor Delegation—Wei Jianxing, member of the CPC Central Committee Political Bureau and president of the All-China Federation of Trade Unions, on 28 April received a "May Day" delegation of Hong Kong and Macao trade unions. On the Hong Kong issue, he said: The All-China Federation of Trade Unions resolutely supports the Chinese Government's stand on the Hong Kong issue and has full confidence in Hong Kong and Macao's smooth reversion and peaceful transition and in maintaining Hong Kong's prosperity and stability as well as Macao's stability and development. Ni Zhifu, vice chairman of the National People's Congress Standing Committee, was present at the meeting. (Beijing XINHUA Domestic Service in Chinese 1248 GMT 28 Apr 94)

Jiang Zemin Inscribes for Hubei Police Squad—On 28 April, Hubei police held a ceremony to unveil a Jiang Zemin-inscribed sign board for an outstanding police patrol squad in Wuhan City. Jiang Zemin named it a "Youthful Civilized Squad." (Beijing XINHUA Domestic Service in Chinese 1255 GMT 29 Apr 94)

Wei Jiangxing Attends Model Workers' Forum—Wei Jianxing, member of the CPC Central Committee Political Bureau and president of the All-China Federation of Trade Unions (ACFTU), on 30 April attended a national forum of model workers held by the ACFTU under the theme "Be A Master and Discuss Major Affairs." Participants in the forum expressed their views on reform and their common wish for stability, saying "economic development can be maintained only when the state enjoys stability." (Beijing XINHUA Domestic Service in Chinese 1028 GMT 30 Apr 94)

Li Tieying, Buhe Watch May Day Show—The Ministry of Culture held an International Labor Day soiree featuring theatrical performances for Beijing Railways Sub-bureau employees at the Great Hall of the People on 30 April. "Leading Comrades Li Tieying, Buhe, and Zhu Guangya celebrated 'May Day' with railway employees." (Beijing XINHUA Domestic Service in Chinese 1315 GMT 30 Apr 94)

Wei Jianxing Watches May Day Performances—ACFTU hosted a soiree featuring theatrical performances in Beijing on 30 April in celebration of "May 1" International Labor Day. Wei Jianxing, member of the CPC Central Committee Political Bureau and ACFTU president, and ACFTU Vice President Zhang Dinghua watched the performances. (Beijing XINHUA Domestic Service in Chinese 1342 GMT 30 Apr 94)

Jiang Zemin, Wu Bangguo Attend Shanghai's May Day Singing Party—President Jiang Zemin attended an International Labor Day singing party in Shanghai on 30 April while he was on a tour there. He was accompanied by Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai municipal party committee, and Shanghai Mayor Huang Ju. He extended holiday greetings to the celebrants and joined them in singing. (Beijing XINHUA Domestic Service in Chinese 1421 GMT 30 Apr 94)

Jiang Zemin, Li Peng Write Inscriptions for Late Marshal—A cornerstone-laying ceremony for an exhibition hall dedicated to the late Marshal Nie Rongzhen was held in Jiangjin City, Sichuan Province, on 2 May. Jiang Zemin, general secretary of the CPC Central Committee, and Li Peng, premier of the State Council, wrote inscriptions for the exhibition hall. "Jiang Zemin's inscription reads: 'Comrade Nie Rongzhen will remain with us forever.' Li Peng's inscription reads: 'Comrade Nie Rongzhen was of noble character and high prestige. A man of illustrious feats, he could be described as a model for the entire party and army, as well as for people across the country.'" Jiang Zemin also inscribed the name of

the exhibition hall. (Beijing XINHUA Domestic Service in Chinese 1449 GMT 2 May 94)

Chi Haotian Meets Young Soldiers—Chi Haotian, member of the Central Military Commission, state councillor, and defense minister, met with "prominent" young soldiers from the Guangzhou Military Region. The soldiers were selected during a campaign launched by the military region to promote fine tradition and train more new citizens who have ideals, moral integrity, a better education, and a strong sense of discipline

. He encouraged youth to study Deng Xiaoping's theory on building socialism with Chinese characteristics, to acquire scientific and general knowledge, and to master the skills needed for building a modern revolutionary army and the Great Socialist Motherland. "He urged all military units to launch more deep-going activities aimed at nurturing soldiers who possess the 'four qualities,' and to keep advancing the drive for revolutionizing, modernizing, and regularizing our Army." (Beijing XINHUA Domestic Service in Chinese 1224 GMT 3 May 94)

Li Lanqing, Chen Xitong Attend Awards Ceremony for Public Transport Units—The Communist Youth League Central Committee and the Construction Ministry held a ceremony in Beijing on 4 May to name pilot units in the nationwide drive for awarding "Civil Youth Title" to units in the public transport sector. "Li Lanqing, member of the CPC Central Committee Political Bureau and vice premier of the State Council, and Chen Xitong, member of the CPC Central Committee Political Bureau and secretary of the Beijing Municipal CPC Committee, conferred 'Civil Youth Title' on the crew of bus No. 4702 serving the 10th route in Beijing Municipality and five other units." Jiang Zemin, general secretary of the CPC Central Committee, wrote the words "Civil Youth Title." (Beijing XINHUA Domestic Service in Chinese 1252 GMT 4 May 94)

Wu Bangguo Receives Heroic Peasant—On 30 March, Wu Bangguo, secretary of the Shanghai Municipal Party Committee, and Shanghai Mayor Huang Ju received and issued a certificate of commendation to Li Youhai, a peasant from Tongzhou City who was working in Shanghai and who heroically overpowered several knife-wielding robbers. (Nanjing XINHUA RIBAO in Chinese 26 Apr 94 p 3)

Wu Bangguo Inscribes Shanghai Journal Title—"SHANGHAI HOUQIN (SHANGHAI LOGISTICS)" journal began publication in Shanghai on 27 April. Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal CPC Committee, inscribed the title of the journal. (Shanghai WEN HUI BAO in Chinese 28 Apr 94 p 3)

Ismail Amat Attends Opening of Friendship Association Meeting—State councillor Ismail Amat attended the opening of the third national council meeting of the

Chinese People's Association for Friendship with Foreign Countries in Beijing on 5 May. (Beijing XINHUA Domestic Service in Chinese 0757 GMT 5 May 94)

Jiang Zemin, Li Peng Inscribe for Ren Bishi—"An exhibition of paintings, calligraphy and Comrade Ren Bishi's photographs opened in the China Revolutionary Museum on 5 May. The articles on display include eulogies for Ren Bishi's revolutionary spirit, handwritten by such revolutionaries of the older generation as Mao Zedong, Zhou Enlai, Liu Shaoqi and Zhu De, and by party and state leaders Jiang Zemin and Li Peng. Jiang Zemin's inscription reads: 'A display of the camel spirit characterized by trotting forward with heavy load for the cause of the party and the people.' Li Peng's inscription reads: 'A revolutionary forerunner and a model for us to learn from.' Ding Guangen and Song Ping visited the exhibition." (Beijing XINHUA Domestic Service in Chinese 0706 GMT 5 May 94)

Jiang Zemin, Wu Bangguo Visit Veteran Comrades in Hospital—"Jiang Zemin, General Secretary of the CPC Central Committee and State President, visited three old comrades in the Huadong Hospital (in Shanghai) on 5 May. The three were Zhou Gucheng, former vice chairman of the National People's Congress Standing Committee; and Liu Jingji and Su Buqing, vice chairmen of the National Committee of the Chinese People's Political Consultative Conference. They were receiving treatment and recuperating in the hospital.

"During the visit, General Secretary Jiang Zemin repeatedly told Zhou Gucheng and the two other old comrades to take care of themselves and not to worry. He also wished them a long life. The old comrades thanked General Secretary Jiang Zemin for his regards and attention.

"General Secretary Jiang Zemin was accompanied on the visit by Wu Bangguo, Shanghai Municipal CPC Committee secretary; Shanghai Mayor Huang Ju; and Zeng Qinghong, director of the general office of the CPC Central Committee." (Beijing XINHUA Domestic Service in Chinese 1312 GMT 5 May 94)

Jiang Zemin, Li Peng Inscribe for Dictionary—General Secretary Jiang Zemin and Premier Li Peng recently wrote inscriptions for "HANYU DACIDIAN (ENCYCLOPEDIA OF CHINESE LANGUAGE)" on the occasion that the publication of all the 12 volumes of the encyclopedia has just been completed. Jiang Zemin's inscription reads: "Advance and enrich the fine culture of the Chinese nation and build a socialist spiritual civilization." Li Peng's inscription reads: "Carry forward the cause pioneered by our predecessors and forge ahead into the distant future." When the first volume of the encyclopedia was published in 1986, Comrade Jiang Zemin pointed out: "'HANYU DACIDIAN' is an very influential set of books both at home and abroad. Its publication is of great significance. This sort of encyclopedia is an agglomeration of a country's national language, embodying the traditional culture of the country

and its people, and it is usually regarded as a symbol of national honor and national independence. For this reason, the government and the people of any country always attach importance to such an encyclopedia. China is a great country with 5,000 years of history and splendid culture. The Chinese nation is a great nation which has contributed to civilization of the world. Besides, the Chinese language is used by more than one billion people in the world. We should have an encyclopedia which can reflect the whole picture of the Chinese language." (Beijing XINHUA Domestic Service in Chinese 0426 GMT 5 May 94)

Real Estate Law Submitted to NPC Standing Committee

OW0505153094 Beijing XINHUA in English 1406 GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—A draft law on China's emerging real estate business was submitted to the Standing Committee of the National People's Congress for deliberation today.

The Law on Urban Real Estate Management (draft), on which officials and experts have worked for six years, is expected to provide the legal basis for real estate development and make it a pillar of the national economy.

The draft contains 79 articles in seven chapters governing use of land for real estate development, housing property development, real estate trading, registration of real estate property rights and other subjects.

In explaining the draft to the NPC Standing Committee, Vice Minister of Construction Ye Rutang noted the rapid expansion of real estate development in recent years.

"But a host of problems cry for resolution, and provision of a legal base is the fundamental solution," the official said.

According to the draft, transfer of land shall, in most cases, be executed through auction or bidding.

Under specific circumstances, however, land may be transferred through negotiated agreement with approval of the State Council or a higher level authority of the local government with the power to approve such matters.

The draft specifies that land for construction of commercial, tourist and recreational facilities as well as villas shall be transferred through auction or bidding.

According to statistics available to XINHUA, of the total amount of land obtained for construction between early 1992 and July 1993, bidding was employed for only 0.78 percent and auction for another 0.32 percent.

The rest was obtained either by administrative allocations or through negotiated agreement.

To uphold the state monopoly over urban land, the draft stipulates that transfer of land shall conform to the overall planning for use of land and urban development and be incorporated with the construction of specific projects.

The land developer, says the draft, must abide by the contractual terms for the development project on the land and within the contractual period for the development.

With regard to advance sales of housing property, the draft, apparently to prevent profiteering speculation, prohibits transfer of housing already sold but not yet finished and occupied.

Authorities Suppress Journal, Promote RENMIN RIBAO

HK0505052794 Hong Kong SOUTH CHINA MORNING POST in English 5 May 94 p 12

[By Willy Wo-Lap Lam]

[Text] Beijing has put pressure on a group of liberal intellectuals to stop publishing an avant-garde journal. The authorities have also tried to boost the sales and influence of the People's Daily [RENMIN RIBAO] by launching several regional editions.

Chinese sources said yesterday the editors of the magazine JINGPIN (ELITE) could not find an official book registration number to publish its third edition. The two previous editions had been published earlier this year under a temporary registration number, which had expired.

The editors and contributors of JINGPIN are influential intellectuals and ex-officials associated with the former party chiefs Hu Yaobang and Zhao Ziyang. They include former PEOPLE'S DAILY editor Qin Chuan, former culture minister Wang Meng, and liberal economist Yu Guangyuan. While this group did not openly support the 1989 democracy movement, it is understood that the authorities fear the liberal intellectuals might give "spiritual support" to the underground dissident movement.

"All the articles for the third edition are ready," a source close to the magazine said. "Our failure to get a registration number is a sign the authorities are getting tough with dissent."

Meanwhile, the Propaganda Department of the party is anxious to reverse the decline in the sales of a large number of official mouthpieces, including the PEOPLE'S DAILY, whose circulation last year reportedly dropped by almost 20 percent. Media analysts in Beijing said the party had given the green light for the paper to launch several regional editions, the first of which will appear in the East China area.

Cadres on the People's Daily said they hoped the new editions, which will have more local content, would help

to stem the decline in circulation. It will be the first launch of regional editions by a national paper.

Sources in the paper said the editorial policy remained "rigid and doctrinaire" despite the appointment in the past year of two moderates, Fan Jingyi and Zhou Ruijin, as chief editor and vice-chief editor. Mr Zhou, considered a protege of President Jiang Zemin, sat at the same table as Mr Jiang when the latter hosted a Lunar New Year banquet for the leaders of the Beijing media.

While the authorities are clamping down on liberal journals, they have not stopped efforts by the Maoist ideologues to discredit the reform policy. Chinese sources said commissars led by Deng Liquan, a former head of propaganda, had started writing a series of articles on how patriarch Deng Xiaoping's open-door policy could encourage the growth of capitalism and a "new class of exploiters". These articles are to be published after the death of Mr Deng.

The sources said Mr Deng and his family were aware of the "anti-reform articles," but they had decided not to take action. Moreover, the remnant Maoists still have a stranglehold over many departments within the Central Committee. The sources added that to ensure his predominant position in the post-Deng era, Mr Jiang had formed alliances with the ideologues.

Column Urges Administration To Cut Down on Meetings

HK0505060294 Beijing CHINA DAILY in English 5 May 94 p 4

["It Seems to Me" column by Kang Bing from the "Opinion" page: "Dear Leaders: 'We Have To Stop Meeting This Way'"]

[Text] "I'd like to talk with you, but I'm sorry, I have meetings all day today." This is the answer we reporters often receive when trying to arrange interviews.

Even if we manage to see the VIPs, they tend to glance continually at their watches. Some even cut the interviews short because of the ubiquitous meeting.

There are reports about a governor who was so tied-up with meetings that he was unable to go to his office for a month. Some work institutions even select leaders whose responsibility is simply to attend various meetings.

The government has made persevering efforts to decrease the number of meetings. Still, meetings go on in profusion, all claiming to have good reasons for their existence.

A round-the-year meeting calendar goes like this: A meeting must be held at the beginning of the year to discuss and set down work plans. A year-end meeting is naturally convened for summarizing the plans. In between the kick-off and close, there are the inevitable meetings to exchange experiences, read documents and award prizes. And many others.

Ironically, an important part of the year-end meeting is to report on the number of meetings that have been held over the year.

To maintain good relations with various departments, work institutions have to give a nod to meeting invitations from almost all sources, including their superior organizations, friendly counterparts and the local public service bodies.

To pass up an invitation is considered an insult. If the local traffic control office is unhappy, all your vehicles may be accused of being in poor condition and be ordered off the road; if the local neighbourhood committee is displeased, you might be fined for "failing to keep the environment clean enough." Reject an invitation—and you will be rejected.

Of course, many people are only too pleased to be invited to meetings and harvest all the freebies—free trips, big feasts and souvenirs.

Though I have been to too many meetings—quite often reluctantly—I am not totally against them. What I hate are the meaningless and long ones.

The Chinese Communists have been known for their talent in mobilizing people to rise up against practices left over from the old feudal society. Such mobilizations were often done through meetings in which revolutionary principles were explained and problems concerning the interests of the participants were discussed. People were enthusiastic about going to such meetings.

But since the establishment of the People's Republic, this once-effective weapon has been excessively used. As a result, it has lost its power. Most meetings are met with a "never-again" attitude. Few are interested in what's discussed in the meetings. Moreover, I doubt if the attendants are really able to carry out what's assigned to them at the meetings.

The number of meetings held around the country is not available, but I believe the figure could run in the millions.

As far as I know, most government organizations and enterprises still have Wednesday afternoons off for so-called "political study" meetings.

I believe most people are bored with such routine meetings, in which newspaper articles are read by a responsible leader while the participants busily engage in chatting, dozing or knitting.

Having such weekly meetings might be a decades-old practice and there might be some argument to keep them going, but I would advise meeting organizers to cancel them if they want to improve the unit's efficiency and productivity.

It is a waste of time and money to hold these meetings if they achieve nothing.

Billions of yuan must be needed to organize these millions of meetings. I am no expert on this affair, but friends tell me that, in organizing a meeting, the budget ranges from a few thousand yuan to half a million. It's time that we dampened the meeting fever of both organizers and participants.

They should be reminded that, if a meeting has to be held, something concrete should be discussed, and decisions should be made. Empty talk has no value.

Now that the management mechanism is being reformed in enterprises, managers should be accountable for their own actions. They should decide things for themselves and not involve half the factory. If they do, it only shows their sense of insecurity and lack of business confidence.

Traditionally, in appraising an organization's performance, the number of meetings it held was regarded as a standard of its achievements. But the new concept should be: The fewer meetings held, the better.

The best and most efficient way to cut down on the number of meetings, it seems to me, is to slash the meeting budget drastically. Who would attend if there were no banquets or carrier bags full of goodies? Who would organize if they had to reach into their own pockets? The money saved could be put to good use in an infinite number of ways—such as paying the teachers who have been given IOUs instead of their salaries.

It requires great determination and a new way of thinking to bid farewell to meetings.

The Hebei provincial government has set a good example. It decided to have no meetings in the entire month of April. The leaders, liberated from meeting engagements, could head to all corners of the province during that month for on-the-spot investigations, which helped their decision making far more than meetings ever would.

When this directive was issued in March, many people were skeptical that, without meetings, things in the province would fall apart into a real mess.

Now the month has passed, and we can see that the sky did not fall.

I hope other provinces and organizations will follow the Hebei example, and I also hope Hebei's no-meeting period will be prolonged from the present one month to two months—or longer.

System To Improve Quality of Periodicals

HK0505111194 Beijing RENMIN RIBAO in Chinese
13 Apr 94 p 3

[Interview by staff reporter Zhou Qing (0719 1987) with Liang Heng, Deputy Director of the State Press and Publications Administration; date, place not given: "A Common Problem For Almost 10,000 Kinds of Newspapers and Publications Is To Improve Quality—Liang

Heng, Deputy Director of the State Press and Publications Administration, Answers This Reporter's Questions"]

[Text] [Zhou] There are now 2,040 kinds of newspapers and 7,596 kinds of magazines in China, totaling 9,636 kinds. The increase in their numbers is astonishing. These almost 10,000 kinds of publications are important weapons in fostering socialist spiritual civilization. They are busily providing readers with spiritual food and are greatly affecting all of society. Facing this unprecedented situation, what are the main guiding principles of the State Press and Publications Administration in its management over publications?

[Liang] There is a need to change two concepts in publications management at present. First, attention should be switched from increasing the quantity to improving the quality. As Comrade Ding Guangen [chief of the Propaganda Department] has pointed out: Macromanagement over propaganda and culture should be strengthened, with attention paid to providing guidance, controlling the total amount, improving the composition, and producing better results. This is also an important task of the State Press and Publications Administration. Of course, we can discuss whether these almost 10,000 kinds are adequate or not. As a matter of fact, they will increase in the future. The most urgent problem at present, however, is to review their quality, whether their composition is rational or not, and how their results are. For a time in the past, the department in charge focused its attention on running new publications and did not care much about problems emerging in publications. As a result, a situation arose in which "new publications were increasing" and "the bad coexisted with the good." This situation must be changed. The existing publications should be managed and run well before running new publications. At least, there should be basically no approval for new publications in the near future.

Second, tough criteria should be set for management. There are two criteria in press and publications management. One is the minimum criterion, which means that a publication must meet publication standards, its contents must not violate state law, and its publication procedures must not go against publication regulations. Some of the publications that have met this criterion are neither good nor bad; others are borderline cases; still others are like certain industrial enterprises—consuming much, but producing low economic results. It will not do to maintain our management at this level. The other criterion is the maximum, which requires publications to be first-rate in all aspects. Requiring every issue of a publication to be problem-free may be a little excessive, but this can be achieved if efforts are made. This criterion is determined by the particularity of publications. For example, management over material products is like filling a bamboo basket with bricks; it does not matter if the basket is woven tightly, or a little loosely. Management over spiritual products is like filling a pail

with water, allowing no leakage. Let us compare management over material products to repairing a highway; if there is a hole on the highway, a car can still skirt it. Management over spiritual products is like repairing an aqueduct; if there is a breach in one of the dikes, the aqueduct will leak.

This high criterion is for the sake of the people, the reader, and the next generation. A manager should be very careful, as careful as walking on a thin ice; on the other hand, he should be brave and firm, and try to achieve the best results.

[Zhou] On publications' quality criteria, what specific management requirements do you have in mind?

[Liang] Whether or not a publication is run well depends, generally speaking, on whether or not it can fulfill the main task set by General Secretary Jiang Zemin for current propaganda and ideological work. This main task is to hold firm to the fundamental principle of the theory of building socialism with Chinese characteristics, to arm the people with scientific theory, to guide the people with correct public opinion, to create good images with a noble spirit for the people, and to encourage the people with fine works. There are six primary aspects of quality in terms of what can be seen in the layout (there is also personnel quality and operational situation relating to the layout):

1. Political quality—Unquestionably, the first demand on newspapers and publications is a correct and firm political orientation. On the one hand, this is because newspapers and publications are spiritual food, and rotten food should not be given to others; as mass media, newspapers and publications should not mislead the country by providing wrong guidance. On the other hand, newspapers and publications have a commercial nature, and publishers frequently overlook social effects out of commercial motives. The political quality of newspapers and publications is sometimes like a boat sailing against the current: A slight absence of mind could weaken their political quality.

2. Information quality—As we are focusing on economic construction and on developing the socialist market economy, we should particularly stress the importance of information. This is the main function of newspapers and publications in serving the four modernizations. For periodicals, information quality alone is not adequate, there also should be academic quality.

3. Cultural quality—Newspapers and publications fall into the category of culture. Their cultural quality has a direct impact on readers' sentiments.

4. Publishing quality—This refers to the quality of editing, proofreading, composition, printing, and binding.

5. Advertising quality—The development of the socialist market economy has brought about the great development of the advertising business. Publishing advertisements has become another main function of newspapers and publications in serving society. In particular, advertisements have occupied large spaces in newspapers. Whether an advertisement is true or false, poorly or beautifully printed, directly affects the newspaper's quality.

6. Circulation quality—All the functions of newspapers and publications finally manifest themselves when they reach the reader. No matter how much a newspaper contains, it must have a certain quantity. Under the socialist market economy structure, in which efficiency and results are valued highly, the amount in circulation should be taken as the basic factor in assessing the quality of newspapers and publications and as a necessary assessment criterion.

For newspapers and publications in open circulation, none of these six aspects of quality are dispensable.

[Zhou] What is the management policy to ensure the fulfillment of these requirements?

[Liang] First, we should control the quantity and improve the quality, with the focus on two procedures—one being an approval procedure and the other being a routine management procedure.

1. "Three principles" on management over approval.

This year three principles on approval have been implemented: Basically no approval is granted; approval is granted after an adjustment; and approval is decided on improvement in management. After a large increase in newspapers and publications over the last few years, they basically have coped with economic construction and the people's cultural needs. Therefore, approval for new newspapers and publications basically has stopped this year. If provinces and units wish to run new newspapers and publications, they should reduce the original newspapers and publications. The number of new newspapers and publications to be approved depends on the number of old newspapers and publications reduced. No approval will be granted to new newspapers and publications if the old newspapers and publications are not reduced, the purpose being to promote the good and eliminate the bad. In addition, management quality will be taken into account; no approval will be granted if management does not improve. This will be taken as a condition so as to improve management.

2. "Three measures" for daily management.

Daily management gradually should take on a procedural nature and should proceed in a scientific way, with the aim of establishing a normal and effective mechanism. First, we should pay attention to assessment. An annual assessment of newspapers and publications will be carried out so as to make them meet minimum criteria. After an assessment, bad-quality newspapers

and publications with a low circulation must be eliminated resolutely. Second, we should pay attention to appraising the good so that the good will meet the maximum criteria. This was begun many years ago, and the results were very good. In a region and a department, there is a need to establish several influential newspapers and publications to promote the rest. Third, we should pay attention to grading. After fulling the first and second measures, scientific grading gradually will be introduced to all newspapers and publications to form a rational management mechanism. After grading, different management will be exercised over advertisements, distribution, operations, and position titles. The grades of newspapers and publications will be adjusted according to the annual assessment and appraisal, forming a normal, self-restrictive, and stimulative mechanism.

To summarize, there are two transformations, six criteria, three principles, and three measures. In the past, our main efforts were devoted to increasing the number of newspapers and publications. Now efforts should be switched to improving quality. This is a difficult change, but we are confident of carrying out this task.

Commentator Hails Speed Skater's Patriotism

HK0505100594 Beijing RENMIN RIBAO in Chinese
3 May 94 p 1

[Commentator's article: "Strive To Put on First-Rate Work Performance for the Motherland"]

[Text] The divine flame of the 17th winter Olympics has gone out, but the heroism of Ye Qiaobo—a worthy daughter of the Chinese nation, who fought indomitably to enable the five-starred flag to be hoisted up the pole, despite injuries to her legs and other parts of her body—still stirs the heart of every Chinese citizen. Ye has composed a magnificent song of youth with her blood, sweat, and tears, and has set a brilliant example of patriotism to a generation of youth.

A feeble girl, who made light of her major injury and refused to be outdone by her strong rivals, made amazing achievements in the world-level competition. Where did her strength come from? Ye answered: "What I have done is done for my beloved motherland." What a noble heart she has! She consciously regarded rendering service to her motherland as her highest ambition, and was ready to exchange her youth for her motherland's honor and her nation's dignity. It was her passionate patriotism that constituted the abundant source of her heroism.

Patriotism has always been a spiritual prop for a strong and prosperous country and a rising nation. The implications of patriotism vary from nation to nation. For the younger generation of the Chinese nation, loving their country has the particular meaning of loving socialism. Historical experience and the reality of reform and opening up to the outside world have told us that socialism cannot only save, but also develop China. Ye has been to a dozen countries and regions, and has

witnessed Western societies of every description. While abroad, she did not improperly belittle herself, worship and have blind faith in everything foreign, and still less shake her conviction. Instead, she bore in mind "I am my motherland's loyal daughter," took pride in it, and displayed a national integrity that was neither arrogant nor obsequious, and "made one above the power of poverty and mean conditions to cause a deviation from principle, one who could not be subdued by force."

Loving one's country means linking one's career and future with one's motherland, and changing fervent patriotism into the real action of dedicating oneself to the service of one's country. Ye dedicated herself to the service of her country by applying herself to sports—her career—and by trying hard to win a "gold medal" for her country. She has worked hard and dauntlessly on speed skating—her difficult and glorious career—for 20 years, and has made great achievements time and again in scaling new heights in speed skating. People work at different posts, but they can have the same wish to render service to their motherland despite the fact that they will carry out the wish on different occasions and in different ways. To carry out the wish, one must base oneself on one's work post and start with little things so as to make outstanding achievements at one's ordinary work post.

Loving one's country means rendering great service to reform and the opening up. Ye always cherished a high aspiration for winning honor for her motherland and set the highest target for herself. After winning honor for her motherland on many occasions and becoming a glorious sportswoman in the sports field, many people told her to resolutely retire at the height of her career, but Ye declined their advice. She felt she had not realized her ambition and wanted to convert her dream of obtaining a gold medal for her motherland into reality—a dream, in fact, of turning China into a prosperous country. How striking a contrast she brought out between herself and those who pride themselves on their merits or are content with small achievements!

Being patriotic means combating decadent ideas, such as individualism and money worship. To render service to repay her motherland's kindness, Ye bore hardships unbearable for ordinary people and buried the happiness ordinary people deserve. She regarded her motherland's honor as a weight like unto Mount Tai, and her own interests weighing as lightly as a goose feather. Such a noble virtue, which "enables a patriot to dash ahead regardless of his own safety," is all the more precious in the current period when a new system is replacing the old.

"One must not forget one's duty to take care of the country's interests, no matter how insignificant one may be." Youth represent the future of the country and are to bring the country's major plans to fruition. Ye's heroism has shown the broad masses of young people a correct and glorious way for them to render loyal service to the motherland. This is the great trust history has placed in

them and also what the current reform era expects of them. Like Ye, we should keep the motherland's interests at heart, carry forward the revolutionary cause pioneered by our predecessors, forge ahead into the future, and participate in the country's great reform and development plans with enormous enthusiasm and creativity. We should work hard to make progress and achievements at our own posts. We should inject our precious youth into the motherland's great cause of reform and development to put on a first-rate work performance!

Military

PLA Plans Abolition of Highest Rank, Other Changes

HK0605072694 Beijing CHINA DAILY in English
6 May 94 p 1

[By Chang Hong: "NPC Plans To Reshuffle Top Military Rankings"]

[Text] The People's Liberation Army (PLA) is set to do away with its highest ranking position—a post no one has ever held.

The Central Military Commission (CMC) yesterday proposed eliminating the status of 'first-grade general,' theoretically the highest ranking official in the armed forces.

The commission also recommended the Standing Committee of the National People's Congress [NPC] give officers regular salary raises and cut the retirement age of senior commanders by two years—all under a package of amendments to existing military service regulations.

The 'first-grade' general position has remained vacant since it was adopted in 1988. The Chinese president, a civilian, is the commander of the armed forces and serves as CMC chairman.

Under the amendments, the CMC chairman will not be conferred with any military ranks. This will be in line with the tradition of the Chinese military and the general practice in the world, said General Yu Yongbo, a CMC member and director of the PLA General Political Department.

Yu said the decision to remove the first-grade general from the military ladder was based on the fact that no one ever held the title.

The post-Cold War era of peace also prompted the proposal, he said.

The current military rank system divides officers in active service into 11 grades, from generals and field officers to junior officers.

Ten grades will be retained: general, lieutenant general, major general, senior colonel, colonel, lieutenant colonel, major, captain, lieutenant and second lieutenant.

Amendments to the retirement age mainly affect deputy army commanders and deputy commanders of greater military areas, according to Yu.

The maximum retirement age will be reduced from 60 to 58 for deputy army commanders and 65 to 63 for deputy commander of greater military command regions.

This would accelerate the normal succession of officers.

Yu said the proposal for regular pay hikes for officers is intended to boost military morale.

Other legislation under review at the current NPC Standing Committee session includes the Foreign Trade Law, the draft State Compensation Law and measures to punish offenders disturbing public order.

The first two bills are ready to be approved during the current session, which runs until Thursday.

For the first time, a law governing the real estate market has been submitted to the NPC Standing Committee for consideration.

The law aims to tighten government control over the industry and prevent the loss of State property.

Its provisions focus on the supply of land for urban real estate development, real estate transactions and property registration.

Legislators also heard a report on introducing sterner penalties on copyright infringements.

Two draft laws governing the service of judges and prosecutors were also submitted for review.

Under the laws, ranking systems will be introduced to regulate court and prosecuting department officials.

Shanghai Baoshan Navy-Run Military School Set Up

OW0505065194 Shanghai JIEFANG RIBAO in Chinese 20 Apr 94 p 3

[Unattributed report: "Shanghai Baoshan Navy-Run Military School for Youngsters Set Up"]

[Text] The Shanghai Baoshan Navy-Run Military School for Youngsters was recently set up under the joint sponsorship of Baoshan District and the Shanghai Naval Museum. Vice Admiral Lian Yaoting, political commissar of the East Sea Fleet, and Shanghai Vice Mayor Xie Lijuan serve as its honorary commandants, while Jiang Xifu, secretary of the Baoshan District CPC Committee, and Wang Jingyuan, deputy director of the political department of the East Sea Fleet, are co-commandants.

The school is located in the Shanghai Naval Museum. With the spreading of patriotism and national defense knowledge as its purpose, the school will organize middle and primary school students to visit the museum, naval ports, and warships, offer lectures on oceanographic and national defense knowledge, and run military training classes and marine summer camps. At present, the school has set up detachments at 108 middle and primary schools in Baoshan District and 110,000 youngsters are under its training program.

It has been reported that the Shanghai Baoshan Navy-Run Military School for Youngsters will be a youngsters' education base of Shanghai Municipality, open to all middle and primary school students.

Economic & Agriculture

Li Lanqing Favors Large-Scale Car Production

OW0505120494 Beijing XINHUA Domestic Service in Chinese 0509 GMT 7 Apr 94

[By reporter Fu Gang (0265 0474)]

[Text] Beijing, 7 Apr (XINHUA)—Vice Premier Li Lanqing said at a recent work meeting of the China Import Automobile Trade Center: While China permits multichannel import of automobiles, an important category of important goods, we should have a main channel for the import. In this way, it will benefit both our macroeconomic management and the healthy development of the automobile industry.

Li Lanqing said: In our automobile industry, the development of medium-sized cars is quite healthy and the production of heavy vehicles has no big problem either. The production of light cars has many problems. There are 125 light automobile plants in China. They are too dispersed in production, using only a small proportion of Chinese-made parts, and they are disorderly in operation, low in technological level, and poor in quality. They have taken a great deal of investment, but they have not yet been able to engage in large-scale production. Had the investment been made in a more concentrated way, we could have built some very good large automobile production bases.

Li Lanqing said: Automobile industry is a pillar industry and China attaches high priority to its development. Since the departments concerned have already formulated the policy for the development of the automobile industry, we should promote its healthy development with the policy henceforth. Since imported cars are just a supplementary to Chinese-made cars, we should pay attention to import of technologies. The China Import Automobile Trade Center, as the main channel of our country's automobile import, should offer a good service. Its business policy should be one of earning small profits, not big profits. It should avoid bureaucratic ways in business operation and should create the image of an honest and reliable enterprise.

The China Import Automobile Trade Center is an economic entity with a legal person's status, set up with the approval of the State Council. Its main tasks are to participate in market regulation, stabilize automobile prices, import both technology and automobiles, and promote the healthy development of automobile industry. Since its establishment in June 1993, it has handled the marketing of 14,000 automobiles which the Chinese Government bought from the United States. It has helped the government departments concerned in the sale and management of confiscated smuggled automobiles and in formulating relevant procedures for the sale and management. It also conducts legitimate bonded car import and barter trade. Vice Premier Li Lanqing affirmed its business achievements.

Liu Jiang on Peasants' Income, Social Stability

OW0505105794 Beijing XINHUA Domestic Service in Chinese 0809 GMT 5 Apr 94

[By reporter Wang Yanbin (3769 6066 1755)]

[Text] Beijing, 5 Apr (XINHUA)—Agriculture Minister Liu Jiang said: The current overall situation in agriculture and the rural economy is good. It should be soberly noted, however, that there are problems in further development. The stress of our future rural work is to be put on deepening rural reform, effectively developing the rural economy, raising peasants' incomes, and maintaining social stability.

Liu Jiang today made a report on the current situation in agriculture and the rural economy at a reporting meeting sponsored by the Propaganda Department of the CPC Central Committee, the Work Committee for Organs Under the CPC Central Committee, the Work Committee for Organs Under the State Council, the General Political Department of the People's Liberation Army, and the Beijing Municipal CPC Committee. He said: With the implementation of policy measures taken by the party Central Committee and the State Council to support agricultural production and protect peasants' interests in the past year, the rural economy maintained a good momentum of development; grain output has topped 450 billion jin, an all-time high; the output of most cash crops, except cotton and oil-bearing crops, went up; products related to the "vegetable basket" project continue to increase; village and town enterprises developed rapidly, with better economic performance; peasants' incomes continue to rise, and their burdens were reduced to some extent; and rural reform continued to deepen, and market forces played an increasingly important role in the rural economy.

On problems in the development of agriculture and the rural economy, Liu Jiang considered the following to be major problems: 1) The effective supply of farm products is not stable enough. With scarcity of land and a large population, our country's increased agricultural production is offset by an increase in the population. The average per capita consumption of farm products is low,

and the distribution of farm products in areas and the structure of their varieties are uneven. Prices sometimes fluctuate rather sharply. 2) The increase of peasants' incomes has been slow in the past few years, which has affected their input into agricultural production and the expansion of rural markets. 3) The pressure of rural surplus manpower for employment has increased. He said: Conscientious efforts should be made to solve institutional or deep-seated problems in the development of the rural economy, such as insufficient investment, the increasing disparity in prices between industrial goods and agricultural produce, backward scientific and technological education, and unsound rural management and operation systems.

Liu Jiang stressed: The major tasks in future rural work are to deepen rural reform, effectively develop the rural economy, raise peasants' incomes, and maintain social stability. He said: To effectively develop the economy, it is necessary, first of all, to do a good job in cotton production, make the "vegetable basket" project a success, stabilize grain production, and ensure the effective supply of farm products. Peasants' incomes are one of the crucial issues in rural work in the 1990's. Without a steady increase in peasants' incomes, their input into agriculture cannot possibly increase, nor can rural markets expand. The basic way to raise peasants' incomes is to deepen reform, accelerate the development of the rural economy, and increase their incomes with increased production. He emphasized: For rural areas, it is essential to lighten peasants' burdens, help them free themselves from poverty, vigorously rectify various unhealthy trends about which people have a lot of complaints, strengthen the building of basic-level rural organizations, and gradually narrow the gap between the eastern and western regions of the country in order to maintain social stability.

Liu Jiang: We should step up our work in five aspects to develop agriculture and the rural economy: 1) We should further improve our policies to protect and support agriculture. 2) Keeping in mind the goal of establishing a socialist market economic structure, we should further deepen rural reform, particularly improve the grain purchasing and selling policies and the basic rural management system, guide the sound development of the cooperative share holding system, and deepen the reform of the rural banking system. 3) We should promote scientific and technological progress in rural areas and develop agriculture through the development of science, technology, and education. 4) We should clearly define our responsibilities and vigorously implement policies. 5) The whole party should pay close attention to agriculture, and society as a whole should concern itself with it.

Bank Deputy Governor Attends ADB Meeting in France

OW0605041194 Beijing XINHUA in English 0315 GMT 6 May 94

[Text] Nice, France, May 5 (XINHUA)—The Asian Development Bank is close to doubling the amount of

capital it will make available in loans in the 1994-1999 period to 48 billion U.S. dollars, according to the bank's 27th annual meeting held May 2-5 here.

However, the plan is overshadowed by disputes between some Asian countries and the United States over whether some policy preconditions should be linked to loan provisions.

The United States also wants to see more money enter social projects, such as anti-poverty programs, improvement of women's status, environment protection and family planning.

This position was disputed by India, Bangladesh, Indonesia, Thailand, Laos, the Philippines, and China.

These countries insist that loan provisions should not be linked with policy preconditions.

Bank president Mitsuo Sato said the bank would try to help solve the dispute.

The bank's board of governors will vote on May 22 on the capital boost plan.

The meeting was attended by 225 delegates from the bank's 55 member nations. Economic reconstruction, approaches to economic expansion, and challenges facing Asian nations were the topics which dominated the discussions.

A consensus at the gathering is that the Asian-Pacific region has made a large contribution to global economic recovery.

The Asian countries realized an average rise of 7 percent in their gross domestic production (GDP) despite a world-wide recession in 1993.

The meeting also called on member states to settle problems challenging economic growth in the Asia-Pacific region where unbalanced economic development, a shortage of capital, poverty, a deteriorating environment, and population pressure are serious obstacles to further growth.

Some representatives have asked for lower interest on loans, an augmented capital flow, and greater help for those countries which are lagging behind.

Zhou Shengqing, deputy governor of the People's Bank of China, also attended the meeting.

IPR Symposium To Be Held in Beijing

OW0505142194 Beijing XINHUA in English 1254 GMT 5 May 94

[Text] Hong Kong, May 5 (XINHUA)—A symposium on Intellectual Property Rights Protection (IPR) is to be held in Beijing on May 20 and 21, one of the event's leading organizers, Intel-Property Protect Services (China) Ltd., announced here today. The 1994 symposium on intellectual property protection will cover a

range of issues dealing with patent, trademark and copyright protection in China, Vice Chairperson of the company Ms. Maria Tam Wai Chu said at a press conference this afternoon. Speakers at the symposium include representatives from Microsoft, Coca-Cola, Coudert Brothers, the World Intellectual Property Organization and various Chinese organizations. Intel-Property Protect Services (China) Ltd, established in July 1993, is the first and only foreign-invested joint venture company in the Chinese mainland to specialize in providing intellectual property rights protection services to foreign and domestic companies operating in China. Other organizers of the two day symposium in Beijing include China Intellectual Property Society and China Copyright Society.

Journal Views New CPC Approach to Reform

HK0505151994 Hong Kong CHING PAO in Chinese No 5, 5 May 94 pp 30-34

[Article by Chang Mu (1728 3092): "CPC Redefines Positions of Political and Economic Reforms; Reform and Opening Will Make Moderate Progress"]

[Excerpt] At present, economic operations and structural reforms in Mainland China have come to a point of stagnation. The comprehensive reform program adopted earlier this year, and aimed at making major breakthroughs in shifting from the planned to the market economy, is now facing a range of difficulties. It is believed that, after tiding over mountains of difficulties, the situation will become bright again. The difficulties are mainly reflected in the following: Prices are increasing by too big a margin and state-owned enterprises are operating under more difficult conditions (because their economic results are getting even worse, their business losses are increasing, their debt chains are accumulating, the income of their workers is decreasing, and there are great difficulties in their social insurance arrangements). A potential crisis exists in agricultural production, which is vitally important to the people's livelihood, because it is affected by market competition. In addition, sensitive and unstable factors exist in the months of April, May, and June. The CPC top leadership thus emphasized the need to advance reform in an orderly way and coordinate reform with development and stability under the precondition of maintaining the current political framework.

In such circumstances, the CPC authorities have obviously replaced the previous guideline of laying equal stress on economic and political reforms with the general policy decision of taking economic construction as the central task and making everything suit the needs of the economic structural reform, to implement Deng Xiaoping's line and accelerate the establishment of the socialist market economic structure. Qian Qichen, vice premier of the State Council and foreign minister, announced that without continuous economic growth, it is difficult to develop democracy. This precisely reflected the policy orientation of the third-generation CPC leading body.

Premier Li Peng said recently: In the course of gradually establishing the socialist market economic structure, China also attaches great importance to developing democracy and the legal system and boosting spiritual civilization. China pays attention to adopting and assimilating advanced scientific and technological achievements, management expertise, and cultural achievements from foreign countries; at the same time, it also pays attention to resisting decadent things. In particular, China pays attention to maintaining its fine national tradition and the cream of its national culture. This can be viewed as an explicit definition of the contents and orientation of the political structural reform, as well its position of being subordinate to and guaranteeing the economic reform. Therefore, Li Peng pointed out that the CPC's plan was to basically establish the new economic structure in the 1990's and then further build up a set of mature and fixed systems in various aspects through efforts over the following 20 years.

In a previous period, the opinions about "greatly developing the nonpublic economy" and establishing "a new type of mixed economy" prevailed. Some people even advocated that like planning and market, the system of ownership is also a means and that only economic development is the end. They called for respecting the independent status and interests of commodity producers and dealers, arguing that the market economy is in essence linked only with private ownership. At a theoretical symposium on the private economy, a private entrepreneur read an essay entitled "Keep Wealth in the Hands of the People—the Only Way To Make a Country Prosperous and Powerful." He asserted that "China is now undergoing the process of relative privatization." This is characterized by the fact that "the proportion of the private economy among other economic elements in society is increasing and private enterprises are becoming main pay contributors in the country" and "an increasing number of individuals have, and will, become shareholders or owners of former state-owned enterprises." As a result, "private property is dramatically increasing" in society. He also held that the countryside is the "source of privatization" and "the adoption of the production responsibility system based on output contracts has become the prelude to the process of privatization." "As a result of the reforms, private enterprises appeared on the Chinese mainland, a group of native capitalists were fostered, and foreign capitalists were brought in together with their investments." The essay said: "By the end of this century, with the return of Hong Kong and Macao, the private economy in the mainland will gain a natural ally and the unexpected convergence will make the number of China's national capitalists more impressive."

Deng Xiaoping pointed out: "We allow the individual economy to develop and also allow Sino-foreign joint ventures and the enterprises solely owned by foreign investors to develop but socialist public ownership should always be the mainstay of the economy." He stressed that "in the course of reform, we should always adhere to basic

principles: One is to keep the dominant position of the public economy and the other is to seek common affluence." Therefore, the 14th CPC National Congress drew a particularly explicit conclusion: "In the ownership structure, public ownership, including the economy under whole people ownership and collective ownership, will be the mainstay and the individual economy, the private economy, the foreign-funded economy will be supplementary, and a variety of economic elements will develop, side by side, over a long period of time."

In fact, the state-owned economy remains the main source of tax revenue for the state, accounting for about 60 to 70 percent of the total. The private economy is still far from being the main taxpayer. Some experts hold that the fact that the economic results in some state-owned enterprises are poor and some even incur serious business losses is caused, to a large extent, by the unfair competition. It is a biased opinion to say that state-owned enterprises cannot match collective enterprises, that collective enterprises cannot match private enterprises, that private enterprises cannot match foreign-funded enterprises, and that private ownership is superior to public ownership. A large part of state-owned enterprises are concentrated in the basic industries. They require high investments and are slow to yield returns, their products and services are sold at low prices, and thus their profit margins are lower than the average level in society. In fact, part of their economic results are transferred to private enterprises and their low economic efficiency guarantees the high efficiency of the national economy as a whole, including that of the private economy. State-owned enterprises employ 20 to 30 percent more workers than they actually need. They also have to bear the wages and welfare benefits paid to an increasing number of retired personnel and the load is getting increasingly heavy. On the other hand, the township and town enterprises, private enterprises, and foreign-funded enterprises only need to pay the labor costs and they shift the welfare burdens onto society. In the process of accelerating the establishment of the market economic structure, the state-owned enterprises have lost their advantages in raw materials and in production costs but they still have to shoulder heavy burdens. On the other hand, the township and town enterprises, private enterprises, and foreign-funded enterprises can enjoy various preferential tax terms. More importantly, although the management and operation mechanisms of the state-owned enterprises have been transformed somewhat, they are still subject to administrative interference and it is still hard for them to actually exercise independent decisionmaking power in investment, production distribution, personnel appointment, and price-fixing. Naturally, they cannot adapt themselves flexibly to the market economy.

Vice Premier Zhu Rongji, who is now in charge of the reform oriented to the establishment of the modern enterprise system, said that as long as the management and operation mechanisms of the state-owned enterprises have been thoroughly changed, such enterprises

are given independent decisionmaking power for business operations; their property rights are explicitly defined; a reasonable internal organizational structure, the stimulating and self-control mechanisms, and the environment for fair competition are set up; and then they will also be able to achieve high economic efficiency. Privatization is never the only way out. Public ownership is not the cause of the poor economic results. The current economic difficulties in Western countries also proves this.

With the in-depth development of the economy, individual investment in state-owned enterprises will increase and individual investors will become shareholders in such enterprises. Moreover, some small- and medium-sized state-owned enterprises will be sold to individuals by auction. The CPC authorities stress that this does not mean any privatization of state-owned enterprises; instead, this is just a measure for deepening the enterprise reform and invigorating the economy. According to the relevant state regulations, the proportion of shares held by individuals is limited and public ownership will remain predominant. Deng Xiaoping said: "According to the current practice of opening, there will not be a newborn bourgeois class when our country's per capita GNP increases to several thousand dollars." "If there is a newborn bourgeois class then we will have really gone astray."

Among CPC cadres at all levels, there are many different opinions about the country's development orientation and about the contents and intensity of the reforms; there are also differences in the implementation of the established policies. Many cadres only stress the need to quicken development and do not pay attention to various new economic phenomena and the implementation of various reform measures. Some of them are even tired of so many "twists and turns."

CPC General Secretary Jiang Zemin particularly instructed the State Council's Development Research Center, headed by Ma Hong and Sun Shangqing, to organize some experts in compiling textbooks for provincial, prefectural, city, township, and enterprises leaders to popularize knowledge about the socialist market economy among them. In early April, Jiang Zemin telephoned Ma Hong and said: The ongoing transformation from a traditional planned economic structure to a socialist market economic structure is a great historical change but leading cadres at all levels are still unclear about the basic facts and the basic concepts of the market economy. It is now urgently necessary to popularize the ABC's of the market economy, such as basic knowledge about stocks, bonds, real estate, and futures. In the past, our cadres learned little about such things while working under the planned economy structure but now, they must have knowledge about the market economy to develop the socialist market economy and must be familiar with the market and understand the contents and operation of the market economy in order to do a good job.

Since the beginning of this year, principal provincial-level leading cadres have received training in turn at the CPC High-Level Party School led by Hu Jintao. They mainly studied Volume 3 of the *Selected Works of Deng Xiaoping* and the major principles and policies for establishing the socialist market economy and the reform arrangements. In particular, stress was laid on the need to unify thinking, to coordinate the steps, to act in accordance with the overall interests of the whole nation, and to safeguard the authority of the central leadership. As a result, such things as ignoring central instructions, working out "countermeasures" against central policies, taking advantage of loopholes in the policies, and going one's own way have been seen to decrease.

After the Second Session of the Eighth National People's Congress, the CPC leaders inspected various localities to see how the reform measures were being implemented. Zhu Rongji's inspection of Heilongjiang was most impressive in terms of size and influence. He led 10 principal State Council ministry and state commission leaders to "work on the spot," dealing mainly with difficult issues in the economic layout and in large state-owned enterprises (including those in the war industry). Some enterprises were forced to suspend operations and production because of the industrial restructuring and enterprise mergers. Some workers gathered to protest and this caused a bad atmosphere. Zhu Rongji announced that he visited Heilongjiang in accordance with the instructions of Jiang Zemin and Li Peng. Thus, he brought with him the supreme policy decisions. At the end of the inspection, on 17 April, he openly announced that Sun Weiben, secretary of the provincial party committee was relieved of office and would be succeeded by Yue Qifeng, former governor of Liaoning Province. This showed that Zhu Rongji was resolute in making decisions as a troubleshooter and could seize the crux of the problem.

Whether or not the CPC's reform measures for improving macrocontrol will achieve the expected results is contingent on whether or not social and economic operations can be kept in a healthy and stable condition during the first half of this year. Although the results of production, sales, tax revenue, and foreign trade in the first quarter of 1994 show that the economic conditions can basically meet the macrocontrol targets, retail prices still increased by 20.1 percent, much higher than Li Peng's target of keeping the margin of price increase within 10 percent for the whole year. Chen Jihua, minister of the State Planning Commission, said that in order to curb inflation and guarantee the smooth implementation of various reform measures, it is necessary to effect the following:

First, maintaining the balance between gross supply and demand. In normal conditions, the difference should not be larger than 5 percent. At present, the difference is 7 percent. The investment-led demand is too great and supply is relatively insufficient and, if this situation

continues, inflation will appear. Therefore, it is necessary to strictly control the amount of investment in fixed assets.

Second, attaching importance to agriculture and guaranteeing the supply of vegetables, eggs, meat, and other foodstuffs. Workers in the middle and lower income groups are strongly discontented with the fact that food prices are increasing by too wide a margin and this is greatly unfavorable to social stability.

Third, properly handling the intensity of the price reform and selecting the right time for the adoption of the reform measures. That is, the reform measures should be adopted when the economic environment is relatively relaxed and the masses can endure higher prices. Public opinion should help adjust the psychological condition of the masses for inflation.

Fourth, the government should be exercising management and interfering in market prices. At present, in such countries as the United States and Japan, which pursue typical free market economies, the commodity prices and service charges subject to government management account for 5 to 10 percent, or even 20 percent, of the gross volume of retail sales in society and the proportions there are even higher than those in China. Therefore, macrocontrol over the conditions of a market economy is still indispensable.

Since Ding Guangen, CPC Central Political Bureau member, took charge of the party's ideological work, he has pointed out more explicitly the position of ideological and propaganda work as subordinate to the central task of economic construction and reforms. The position and role of opinion orientation is being strengthened and has become the important nerve of social stability. The CPC top leadership stressed that factors which may cause social instability must be wiped out when they are still in the embryonic stage to prevent them from causing major trouble. This is in fact the extensive application of Deng Xiaoping's idea about "no controversy." News reports, the arts, and other forms of propaganda should serve the central task, playing an assistant role, and must not add trouble to the situation. They should play the main theme and not add noise. This is the most important function of the propaganda methods. They must not create any unnecessary controversy or even sing an opposing tune to divert people's attention from economic construction. Stopping beauty pageants, stopping performers from moving all over to put on shows, checking young people's crazy admiration for some singing stars, clamping down on the illegal sale of book registration numbers and illegal publications, including pornographic publications, were all measures adopted by the CPC authorities to remove the unstable factors and resist the influence of the decadent Western lifestyle.

Jiang Zemin pointed out that the first thing in building spiritual civilization is to cause creations to flourish and these works should play the main theme. The works should give expression to Deng Xiaoping's theory on

building socialism with Chinese characteristics, the party's basic line, and the spirit of patriotism, socialism, and collectivism. Literature and arts should follow the principle of "serving socialism" and "serving the people." In short, they should arouse the entire people's enthusiasm for socialist construction and should encourage them to make progress. The main theme must be played in the works being supported as key projects, in the main pages and columns of newspapers and magazines, and in the golden hours of television broadcasts. The main theme should be combined with a variety of vivid forms. The main theme is the ideological requirement for the works but the works giving expression to the main theme need not be serious or highly aesthetic in their style. Some works may be very easy to understand and should be popular with the masses. As long as they give a healthy feeling to the people, then they are works playing the main theme. We cannot demand that all works repeat the same thing and follow the same pattern while stressing the need to play the main theme. We should still let a hundred flowers blossom. We should also allow the existence of some works which are somewhat vulgar in style but are harmless in their contents. Jiang Zemin also said: We must boost spiritual civilization; otherwise, people at home and abroad can complain bitterly. For example, karaoke bars in some places hire young ladies to entertain customers by drinking, singing, and dancing with them. If there are additional services, things will become serious.

Jiang Zemin said: Sweeping away pornographic things is a popular action supported by the people, so we should go all out to do this boldly. Of course, this is also a long-term task that cannot be finished in one single move. It is necessary to mobilize all quarters of society to sweep away pornographic things, just like the tasks being assigned to all units in public sanitary work. The tasks of eliminating pornographic things should also be assigned to all institutions, schools, and enterprises and routine management should be combined with sudden inspections. Unremitting efforts should be made and actions should be taken repeatedly. [passage omitted]

Article Discusses Price Control Mechanisms

HK0605082494 Hong Kong WEN WEI PO in Chinese
17 Apr 94 p a2

["Special article" by intern reporter Chang Chun (1728 6511): "How Beijing Regulates and Controls Commodity Prices"]

[Text] As the number of marketization elements of the price formation mechanism continuously increases, 95 percent of the prices of commodities and charges for business services on the Chinese mainland have been liberalized and subjected to regulation by market mechanism. Since the second half of last year, prices of agricultural and sideline products, which have a bearing on residents' immediate interests, have been on the rise. In March this year, the prices of vegetables rose by 31 percent over the same period last year. The top echelons

of central leadership and local governments were very much concerned about residents' "shopping baskets." In an interview with this reporter, an official from the Beijing Municipal Commodity Price Bureau stressed: In the socialist market economy, the government interferes in market prices by comprehensively using economic and legal means as well as necessary administrative fiat. At the same time, he pointed out: The upward spiral of the prices of agricultural and sideline products is now slowing down.

Price Rises in the South Are Spreading to the North

The prices of meat (pork, beef, and mutton), eggs, vegetables, grain, and edible oils were liberalized at the end of 1992 and on 5 March 1993. Overall price reform has promoted production growth, market circulation, and relative market stability. The masses of people are comparatively satisfied with the reform. Regulation of prices of agricultural and sideline products by the market is, in fact, the inevitable outcome of the price reform which has been introduced since 1979.

In late November and early December last year, prices of agricultural and sideline products represented by grain suddenly went up as a bumper grain harvest was reaped and grain in stock was abundant. This phenomenon, which started in the coastal areas of south China, spread to the northern regions of the country. In the first ten-day period of December, prices of grain and edible oils in Beijing were as follows: The price of high-quality wheat flour rose from seven jiao [one jiao=1/10 of a yuan] to more than 0.9 yuan or an increase of 30 percent, and that of edible oils rose from 3 yuan to 4.5 yuan a jin. The prices of pork and eggs saw relatively stable rises.

Zhao Chongjie, head of the Comprehensive Management Section under the Beijing Municipal Commodity Price Bureau and senior economist, maintained: There are three reasons behind the current price rises: 1) In November, grain-producing provinces gave advance warning that purchase prices of grain and edible oils would increase, with a view to guiding peasant enthusiasm for grain cultivation. However, as a result, grain and edible oils were sold grudgingly. 2) Departments engaged in the circulation sector lacked adaptive measures and necessary mental preparation for the readjustment of purchasing prices. 3) Consumers were apprehensive of the reform measures to be taken in the new year. For example, they thought that the additional collection of consumption tax would lead to a big rise in commodity prices.

The Municipal Government Strengthens Macroregulation and Control

In view of this situation, the municipal government set up a market price monitoring and control system to forecast trends of price changes and promptly study measures to cope with the changed situation. On 19 December last year, after the government exercised macro-regulation and control on the limited-price management of 21 varieties of grain, edible oils, meat, eggs,

and vegetables, market prices dropped quickly. The price of high-quality wheat flour dropped to 0.78 yuan per jin while that of edible oils steadied below the four-yuan level. Thanks to the imposition of price limits on the sale of grain, edible oils, meat, eggs, and vegetables, prices of agricultural and sideline products were brought under control, and the residents' inflation expectation mentality was alleviated considerably. Later on, after summing up the current management based on limited prices, the municipal government held: This was a successful practical exercise for the government to regulate and control prices by using economic means.

Mr. Zhao Chongjie said: It is believed that in the socialist market economy, commodity price departments are not essential. Through the imposition in December last year of management based on limited prices, importance was attached to the work of the commodity price bureau. It was universally held that even in market economy, the government also could not abandon an intervention role in prices.

Three Funds Function as Expected

To coordinate with price reform, stabilize production, enliven circulation, and protect consumption, the municipal government set up three funds: Agricultural production, market risk, and commodity reserve funds. The agricultural production fund is used to protect agricultural production. When prices of agricultural products are on the low side and agriculture is beset with difficulties, the government will use the fund to reduce producers' losses. The market risk fund is used to curb commodity prices when prices undergo a sudden change. Last year, the Beijing municipal government used the market risk fund three times. One occasion was to ensure supplies during the Spring Festival holidays; another occasion were in August and September when vegetables were in the off season; the third occasion was the 15 million yuan used to cope with the sudden rise in grain prices. The third fund is a commodity reserve fund under which the government entrusts operating departments with responsibility for building up supplies of commodities to ensure them for the Beijing municipal population of 10 million people for a certain period.

This Year's Price Rises Are Expected Not to Exceed Last Year's Levels

Mr. Zhao remarked: On the question of commodity prices, all sides concerned and opinion makers have basically reached a consensus on three aspects: 1) In the socialist market economy, price fluctuations are normal. As such, one should not be surprised so long as they are kept within a rational scope and are conducive to production, enhancement of national strength, and improvement of the national economy and the people's livelihood. 2) Government regulation and control of market prices is necessary. 3) So long as the relationship between price rises and improvement of the people's living standards is handled well and the residents' income growth is kept higher than the price rise levels,

this will help stimulate the economy. He contended: The main reason prices of agricultural and sideline products rose significantly last year was that the previous base figures were relatively low. Now prices have been stabilizing.

Commodity prices in Beijing went up by 16.9 percent last year. This growth rate was higher than the nation's 16.4 percent level, but was considered low compared with that of the 35 large cities. As for the residents' consumption index and retail price index last month, they rose by 25 percent and 21 percent respectively. According to the estimate of the official from the commodity price bureau, this year's price-rise rate is not expected to exceed last year's level.

National Meeting Studies Growth of Foreign Investment

*OW0605061594 Beijing XINHUA in English 0044
GMT 6 May 94*

[Text] Hefei, May 6 (XINHUA)—China's rapid economic development and political and social stability have attracted strong foreign investment.

A recent national working meeting on the registration of foreign-funded enterprises here disclosed that foreign investment is expanding from the coastal areas to interior parts of the country.

A survey shows that China had 25,389 registered foreign-funded enterprises in 1990. Included were only 333, accounting for 1.3 percent of the total, in central and western parts of the country, and the Tibet Autonomous Region was a virtual blank check regarding foreign investment.

By the end of 1993, however, the number of foreign-funded enterprises in central and western China had climbed to 4,913, accounting for 2.9 percent of the total.

More and more large foreign-funded projects were begun in China starting from 1991.

At present, China has more than 7,000 large projects each with an investment of at least 10 million U.S. dollars. Included are about 4,000 set up last year.

These projects are mainly involved in the fields of real estate development, communications, telecommunications, basic industries and high-tech projects.

According to the meeting, the proportion of enterprises solely funded by foreign business people in the foreign-funded sector has risen remarkably since 1991.

By the end of last year, China had 20,047 registered enterprises solely funded by foreign business people, accounting for 24 percent of all foreign-funded enterprises registered on the Chinese mainland.

According to the meeting, foreign business people have widened their business scope over the past 14 years from

hotels, electronics, building materials, machinery, textiles, light and textile industries, medicine and agriculture to energy development, transportation and telecommunications, basic industries, science and education, the arts, banking and insurance.

In the past three years, the volume of foreign investment in service industries has increased remarkably.

Most of the foreign-funded projects are productive industrial enterprises.

A survey shows that foreign-funded enterprises had an average investment of 2.28 million U.S. dollars each by the end of 1993, and 92 percent of the 167,000 enterprises had an investment of less than five million U.S. dollars each.

To better draw foreign investment, the Chinese Government has approved the establishment of 54 economic and technology development zones and 13 bonded parks. Recently it permitted Singapore to set up an eight-square-kilometer science and industry park in Suzhou, an economically-booming city in east China's Jiangsu Province.

While improving investment conditions, the Chinese Government has paid attention to the formulation of laws and regulations, thus enhancing the confidence of foreign business people in making investment in the country.

In addition, China's abundant labor and technical forces, the improved industrial foundation and the vast domestic market have drawn the interest of foreign business people.

Beijing Attracts Investment from Foreign Firms

*OW0605080094 Beijing XINHUA in English 0720
GMT 6 May 94*

[Text] Beijing, May 6 (XINHUA)—Beijing has attracted a steady flow of investment from major trans-national companies over the past few years, according to the municipal economic commission.

A commission official said that by the end of 1993 Beijing's manufacturing industry had launched 40 joint ventures with trans-national companies, each with an investment of at least 10 million U.S. dollars.

The ventures involve 2.08 billion dollars in total investment, he added.

Joint ventures have been set up with the Matsushita Company of Japan, the Chrysler Company of the United States, the Philips Company of the Netherlands and the ABB Company of Switzerland.

These ventures are all being run at a profit, the official said.

For example, the Beijing Jeep Company, a joint venture between the Beijing Motor Vehicle Plant and the

Chrysler Company, has generated four billion yuan in profits and tax payment since it started operation ten years ago.

The company, the first Sino-foreign joint venture in Beijing, has also increased the value of its fixed assets 10 times since 1984.

The Matsushita Company has launched a number of joint ventures with manufacturers in Beijing, including the Beijing-Matsushita Color TV Tube Company, the Beijing-Matsushita Electrical Appliances Company, the Beijing-Matsushita Electronics Company and the Beijing-Matsushita Control Device Company.

In addition, the Siemens company of Germany, the Pepsi-Cola company of the United States and the ABB Company of Switzerland are expanding their investments in Beijing, the official said.

Gao Zuozhi, director of the commission, said that joint ventures with a turnover of one billion yuan in 1993 were all ventures between manufacturers attached to the commission and overseas businesses.

"This shows that there are bright prospects for transnational companies investing in Beijing's manufacturing industry," he said.

"It also indicates that major state-owned enterprises in Beijing can enter into successful co-operation with transnational companies," he added.

He said that in the future Beijing will give priority to the growth of 12 industries, including automobiles, electronics, meters and instruments, new chemicals, building materials and pharmaceuticals.

He pledged more efforts to expanding co-operation with transnational companies in order to spur the growth of Beijing's industry as a whole.

Foreign-Invested Property Appraisal Procedures

HK0605053894 Beijing GUOJI SHANGBAO in Chinese
7 Apr 94 p 2

["Procedures for Appraising Foreign-Invested Property" issued on 18 March 1994 by the State Administration for Import and Export Inspection and the Ministry of Finance]

[Text] Chapter One—General Rules

Article 1. These procedures were drafted according to Article 33 of the "PRC Rules for Implementation of Inspection Laws on Imports and Exports" (hereafter shortened as "import and export inspection rules"); Article 29 of the "PRC Rules for Implementation of Foreign-Capital Enterprises"; and the provisions of relevant laws and administrative rules and regulations for the purpose of properly appraising foreign-invested

property, achieving the goal of attracting foreign capital, and safeguarding the legitimate rights and interests of all investing parties.

Article 2. These procedures apply to the appraisal of property of foreign-invested enterprises and various forms of foreign compensatory trade established within Chinese borders by foreign (including the Hong Kong, Macao, Taiwan regions) companies, enterprises, and other forms of economic organizations or individuals (hereafter shortened as foreign businesses); of property put into their investments by foreign investors; and of property purchased from outside Chinese borders on behalf of foreign investing enterprises.

Article 3. The PRC State Administration for Import and Export Inspection (hereafter shortened as Inspection Administration) is charged with appraising property invested by foreign businesses across the country. The Import and Export Inspection Bureaus (hereafter shortened as local inspection bureaus) opened in various localities by the Inspection Administration are in charge of managing and handling the appraisal of invested property by foreign businesses within their jurisdictions. The Property Appraisal Agency and its Assets Assessment Office, the latter being financed and run jointly with foreign partners, (the two hereafter shortened as other appraisal agencies), established by local inspection bureaus in accordance with Article 8 of these procedures, are the two organs appraising foreign businesses' invested property.

Article 4. The PRC Ministry of Finance is responsible for managing and assessing nationwide the invested property of foreign businesses and related financial work. Local financial departments are responsible for assessing the invested property of foreign businesses and related financial work in their jurisdictions. Accounting firms certified by the Ministry of Finance and its departments in localities are responsible for handling the actual assessment of foreign businesses' invested property.

Article 5. The appraisal of foreign-invested property must observe the principles of authenticity, equity, scientificity, and feasibility, and is conducted according to methods and standards in line with international conventions and as laid down by the state.

Article 6. The appraisal of foreign-invested property includes appraisal of the types, quality, quantity, value, and damage of foreign-invested property, which targets type names, model numbers, quality, quantity, specifications, trademarks, degree of newness, date of production, manufacturing country, and name of makers. Value appraisal is aimed at determining the current value of foreign-invested property. Damage appraisal determines the causes, extent, and cost of damage and cleanup, and residual value of foreign-invested property damaged by natural disasters and accidents.

Article 7. Local inspection bureaus and other appraisal agencies handle the appraisal of foreign-invested property and provide an appraisal certificate as required by

provisions. Value appraisal certificates issued by them are valid proof of the value of property contributed by investing parties.

Accounting firms must base their capital assessment work of foreign-invested property upon value appraisal certificates issued by local inspection bureaus and other appraisal agencies.

Chapter Two—Organization Management

Article 8. Property appraisal offices and assets assessment agencies set up by local inspection bureaus, the latter being jointly financed and run with foreign partners, must be scrutinized and approved by the Inspection Administration and the Ministry of Finance before conducting appraisals specified in these procedures; such scrutiny and approval must be conveyed to accounting firms and concerned departments.

Article 9. Foreign-invested property appraisers must go through special training provided by the Inspection Administration, pass examinations, and obtain a "qualification certificate" issued by the Inspection Administration before conducting appraisals of foreign-invested property.

Chapter Three—Appraisal Methods and Procedures

Article 10. The appraisal of foreign-invested property must be based on the actual condition, degree of newness, function indicators, technical parameters, replacement cost, and profitability of the property in question, and are done according to the appraisal methods and relevant provisions specified in these procedures.

Article 11. Methods for appraising foreign-invested property include the field survey, technical inspection, and value appraisal methods. The value appraisal method includes also the following methods:

1. Market method;
2. Cost method;
3. Revenue method;
4. Other methods approved by the Ministry of Finance and Inspection Administration.

Article 12. Appraisals of the value of foreign-invested property using the market method should take the current market value of identical or similar assets as reference.

Article 13. In appraising foreign-invested property using the cost method, first we must deduct the aggregate depreciation amount, itself obtained from the replacement cost, from the replacement cost of the property in brand-new condition, and take into account its production capacity variations, cost-conversion rate [cheng xin lu 2052 2450 3764], and other factors, before we can arrive at the revalorization of the property being appraised. Or we can determine anew its cost-conversion rate and thereby obtain its revalorization on the basis of its actual condition and its serviceable life length, again taking into consideration changes in functions.

Article 14. In appraising foreign-invested property using the revenue method, we should arrive at the current value of property being appraised on the basis of projected profitability of the property and a reasonable discount rate.

Article 15. The appraisal of foreign-invested property should be conducted in the following way:

1. Applicant applies for an appraisal;
2. Initial scrutiny by an appraisal agency; application accepted;
3. Appraisers draw up an appraisal plan;
4. Verification of bills and documentation provided by the applicant; investigation of domestic and foreign markets;
5. Field surveys;
6. Selection of a suitable appraisal method for the appraisal;
7. Issuance of appraisal certificate.

Article 16. In applying for a foreign-invested property appraisal, applicants should fill out an application form, listing in it the reason, object, and requirements for appraisal and providing a property index, customs declarations, contracts, invoices, insurance policies, maintenance fees and bills, and documents on equipment and technology.

Article 17. When accepting an application for foreign-invested property appraisal, local inspection bureaus and other appraisal agencies must check to ascertain that the applicant has submitted complete application forms and related information, and, in case the status quo of the property in question needs to be preserved, demand that property be sealed and placed in custody.

Article 18. Appraisers should appraise according to provisions. When doing field surveys and appraisals, they must verify each of the items appraised. When necessary, they can demand additional information from persons concerned with the property. They should issue an appraisal certificate in a timely fashion when the appraisal is finished.

Article 19. If the applicant dissents from the appraisal result, he can apply for a re-appraisal to the local inspection bureau which made the appraisal, or to any which is higher in level than the original inspection bureau; he can go as high as the Inspection Administration. Specific steps for the re-appraisal application follow the provisions in the "procedures for re-appraising imports and exports."

Chapter Four—Legal Responsibility

Article 20. Counterfeiting and doctoring certificates by local inspection bureaus and other appraisal agencies are punished according to the provisions of the "import and export inspection rules."

Article 21. Dereliction of duty and jobbery by appraisers resulting in inaccurate or false appraisals are punishable according to the provisions of the "import and export inspection rules."

Article 22. Appraisers are barred from offering a third party information on the appraisal case (unless otherwise provided by law). Violations of this resulting in bad consequences are, subject to degrees of seriousness, punishable offenses.

Article 23. Local accounting firms and certified accountants who violate the second paragraph of Article 7 of these procedures will be punished by financial departments in accordance with the relevant provisions of the "PRC laws on certified accountants."

Article 24. If the accused objects to the decision of punishment by a local inspection bureau or financial department, he can file for a review to the organ which made the decision or to its superior organ within 30 days after he has received notice of punishment. If the accused objects to the result of the review, he can file a lawsuit with a people's court within 30 days after he has received the review result.

The concerned local inspection bureau or financial department can file with a people's court for forceful execution of the punishment decision if the accused fails to comply with the decision of punishment or file for a review or lawsuit.

Chapter Five Annexes

Article 25. Applicants should provide necessary working conditions, manpower, and equipment for appraisers in carrying out his appraisals.

Article 26. Local inspection bureaus and other appraisal agencies will charge the applicant, according to state provisions, appraisal fees for foreign-invested property appraisals conducted according to the steps laid down by these procedures.

Article 27. These procedures are subject to interpretation of the Inspection Administration and the Ministry of Finance. These procedures are final in the event of clashes with local and departmental provisions on foreign-invested property appraisals.

Article 28. These procedures go into effect as of 1 May 1994.

Economist Discusses Scale of Investment Issue

HK0605064194 Beijing JINGJI CANKAO BAO in Chinese 5 Apr 94 p 4

[Article by Liu Rixin (0491 2480 2450) of the Economics Research Center of the State Planning Commission: "Views on Scale of Investment in Fixed Assets"]

[Text] During the period in which our country is shifting toward the socialist market economy structure, theoretical circles and comrades in the departments in charge of macro-economic management actually hold different views on the matter of the present scale of investment in fixed assets. To summarize, their controversy focuses on two questions: First, is the present scale of investment in fixed assets too big or not? Second, how should the state control the scale of investment under present specific conditions? The following are my own viewpoints on these two questions.

The question of whether or not the present scale of investment in fixed assets is too big involves the means and standard for measuring the scale of investment.

One way is to use comparable prices to compare the investment scale of one year with that of the previous year; that is, we can get the investment scale and its growth rate after allowing for price rises in the scale of investment of the year. We can accordingly judge if the investment scale is proper. Some economists favor this method, and the State Statistics Bureau has also compiled price indexes of investment in fixed assets. The statistical communique of 1993 indicated the society-wide investment in fixed assets was 1,182.9 billion yuan. Although it increased by 50.6 percent over the previous year, it actually increased by 22 percent over the previous year with the deduction of the price index of investment in fixed assets (which stood at 23.4 percent). The growth rate was lower than that of 1992, which stood at 23.7 percent. So it is impossible to come to the conclusion that the scale of investment for the year is too high. Nor did the statistical communique of 1993 mention that the investment scale of the year was too high. Instead, it only said that "the total scale of investment in fixed assets of construction projects in progress was too high." However, scale of investment and scale of construction projects in progress are two different concepts. The communique of 1993 indicated that the total scale of investment in fixed assets of construction projects in progress for state-owned units was 2,327.1 billion yuan. With the deduction of projects that were completed by the end of the year, the volume of unfinished projects amounted to 1,320 billion yuan; given that the amount of investment of the state-owned units completed in fixed assets stood at 832.1 billion yuan for the year, the unfinished projects could be completed within one year and seven months. It was major progress as compared with the fact that the construction projects in progress needed two or three or more years to be completed in recent years. So we cannot say that the scale of construction projects in progress at the end of 1993 was too big either.

Another way is to get the proportion of investment in fixed assets in the GDP by comparing the investment scale of the year with the GDP based on current prices. When we view investment in connection with the economic strength of the state, we can see if the investment scale is in proportion to the state economic strength.

According to the statistic data, the proportions of the last three years are listed in the following table:

| | Unit current price (hundred million yuan) | 1991 | 1992 | 1993 |
|---|---|-------|-------|-------|
| | GDP | 20188 | 24020 | 31380 |
| Society-wide investment in fixed assets | ditto | 5509 | 7855 | 11829 |
| Proportion of GDP | % | 27.3 | 32.7 | 37.7 |
| Investment of state-owned units in fixed assets | current price (hundred million yuan) | 3628 | 5274 | 8321 |
| Proportion in GDP | % | 18.0 | 22.0 | 26.5 |

In 1993, the society-wide fixed assets investment accounted for 37.7 percent of the GDP, while investment of the state-owned units in fixed assets accounted for 26.5 percent of the GDP. In my opinion, this indicates that the investment scale was too big. The reasons are as follows:

First, in view of the historical experience of investment rates in fixed assets, the current scale of investment has broken through the rational limit. The practice of reform and opening to the world for fifteen years indicates that once the proportion of society-wide investment in fixed assets in the GDP exceeds 30 percent, and the proportion of investment of state-owned units in fixed assets in the GDP exceeds 20 percent, the relations in various aspects of the national economy will become strained and even out of proportion. The present relations of all aspects of the national economy has already been very strained. The reason is no other than this.

Second, compared with the planned arrangement for 1993, the original scale of investment was much exceeded. The first plenary session of the Eighth National People's Congress adopted the plan for 1993. It arranged that the total scale of society-wide investment in fixed assets to be 800 billion yuan, the investment rate being controlled within 30 percent. Investment in state-owned units took up 565 billion yuan of it while that of collective-owned units and individuals accounted for 235 billion. Now the society-wide investment in fixed assets has exceeded the planned amount by 382.9 billion yuan, the excess rate being 47.9 percent. Investment in state-owned units is 267.1 billion more than the planned amount, the excess rate being 47.3 percent, while investment by collective-owned units and individuals has exceeded the planned amount by 115.8 billion yuan, the excess rate being 49.3%. According to the 1993 plan, the arranged investment rate was controlled within 30 percent, that is, the

proportion of the society-wide investment in fixed assets in the national income. According to statistics, the rate of society-wide investment in fixed assets in 1992 was 39.5%. It is estimated that it rose to around 42 percent in 1993, exceeding that in the period of "the Great Leap Forward." This was unusual since the founding of the PRC.

Third, last year's currency supply hit a record high, reflecting an excessive scale in investment. In 1993, the GDP rose by 30.6 percent according to current price calculation, while the society-wide investment in fixed assets rose by 50.6 percent. That is an important reason why the demand for currency grew. The situation of rapid increase in investment causing an abrupt increase in currency supply is as follows: On the basis of a large supply of 115.8 billion in 1992, a record high supply of 152.9 billion yuan was made in 1993. It was more than the total supply of the latter five years in the 1980s (a total supply of 115.3 billion yuan from 1985 to 1989). By the end of 1993, currency in circulation reached 586.5 billion. It rose by 35.3 percent compared to an increase of 36.5 percent in the previous year. This was exceeded only in 1988 (an increase of 46.7 percent), reaching another height.

Fourth, the state of inflation also reflects an excessive scale of investment. The increase of currency supply caused by inflationary investment resulted in price hikes. In 1993, the price index of the residents living cost expenses (including commodity and service prices, i.e., the consumer price index in the West) rose by 14.7 percent compared to an increase of 6.4 percent in 1992, while the retail price index rose by 13 percent compared to an increase of 5.4 percent in 1992. The inflation rate last year exceeded two digits, for the fourth time in over four decades after the founding of the PRC. Great attention should be paid to it. As the effect of money supply on prices has a lag period, the big increase of money supply in 1993 will play a role in commodity price hikes in 1994. So this year our economy will continue to face a severe inflation situation.

Fifth, compared with foreign countries, the investment scale of our country is relatively large. At present, the proportion of investment in fixed assets in the GDP usually stands around 15 to 20 percent in developed countries. Japan stood around 30 percent at the highest. Of course, this proportion has to do with the stage of economic development. Take the ROK, a newly emerging industrialized country, for example. When its economy took off in the 1970s, the highest proportion was only around 33 percent. At that time, that of Taiwan was only around 28 percent (22.8 percent in 1992).

How the country should control the scale of investment is a problem that has not been settled properly under the new situation in which macro-economic regulation and control is being implemented.

One opinion holds it unnecessary for the state to control the investment scale and that it cannot be controlled

either. However, I think it is necessary to control it. I can only put forward some opinion about principles as I have not studied a lot about concrete steps.

First, It Should Be Made Clear that the State Maintains the Principle of Guiding the Scale of Investment Through Planning Under the System of Market Economy

Drawing on the experience of the market economy practiced by Western countries (regions), in its plan the state can set an absolute investment amount (including investment in fixed assets and the amount of additional circulating funds) as well as the total investment rate, i.e. the proportion of the total investment (separating fixed assets investment and the amount of additional circulating funds) in the GNP. In this way, the investment scale will be more or less in keeping with the economic strength of the country. With the reform of planning, it is required that statistics move a step ahead to work out the relevant indexes of the base period.

Second, the State Should Formulate a Comparatively Detailed Industrial Policy To Guide Investment Direction

An industrial policy should be implemented in various localities. We should combine readjustment of economic levers with implementation of an industrial policy to promote realization of the state investment plan.

Third, the Central Bank Should Strengthen Its Control Over Fixed Asset Loans

The central bank should strictly control the plan for fixed asset loans transmitted by the state. It should be included in both the state investment plan and the credit plan of the bank. It should be strictly carried out with no excess allowed. Financial institutions of all kinds should not give fixed assets loans at random. Localities and departments cannot issue bonds, launch pilot projects of adopting the share-holding system, and illegally raise funds for construction. We should work according to the state plan while exploiting foreign capital. We should strengthen guidance and practice of standardized management in those construction projects in which foreign businessmen have invested directly.

Fourth, Use Different Means to Control Investments for Different Investors

The present macro-management of investment actually still focuses on the management of investments by state-owned units, failing to see investors of various economic elements newly emerged since reform and opening up started, such as those of the private economy, individual economy, township and town enterprises, Sino-foreign joint ventures, Sino-foreign cooperation enterprises, enterprises solely run by foreign businessmen, and enterprises run jointly by the state and collectives, by the state and individuals, and by collectives and individuals. The main efforts of our reform of the economic management structure should be shifted to these practical affairs to earnestly strengthen macro-management of investment.

Trade Inspectors Seek Increased Foreign Ties

HK0605072794 Beijing CHINA DAILY in English 6 May 94 p 2

[By Tian Ying: "Inspectors Seek Overseas Ties"]

[Text] Trade inspectors hope to increase ties with foreign counterparts, officials said yesterday at a national conference in Beijing.

As a first step, more inspection joint ventures will be set up nationwide this year, said Tian Runzhi, newly-appointed director of the State Administration of Import and Export Commodities Inspection.

This will provide valuable experience and teach management methods to Chinese inspectors, he said.

The administration also plans to invite foreign experts to open courses and send Chinese abroad for training.

In addition, more laboratories are to work closer with Chinese commodity inspection officials to check imported goods.

Plans

Plans also include signing an agreement with Israel and Russia and a letter-of-intent with UL [Underwriters' Laboratory], the top inspection body in the United States.

Contacts will also be strengthened with Singapore, the Republic of Korea, Australia, Japan, Britain, Italy and the European Community.

Hong Kong, Macao and Taiwan are also seeking to strengthen links with the mainland.

Tian said at the conference that Chinese inspection organizations must continue to reform their operations.

One step will turn several modern labs and research institutes into independent facilities to check goods and the property of foreign-funded enterprises.

New inspection sites will also be built in cities and ports where foreign trade has soared, Tian said.

Inspectors will particularly focus on high-volume export commodities that cover safety, hygiene and environmental protection.

And both central and local administrations will continue to issue licences and hygiene certificates.

According to the Measures for Management of Foreign Investment and Property Evaluation that went into effect on May 1, officials are required to make objective and accurate appraisals.

According to Tian, Chinese inspection bureaus last year inspected 1.37 million import and export shipments valued at \$75.2 billion. About 24,000 were found to be subpar, about half of which were for export.

The bureau said raw oil, steel, iron, digital watches, computers and cameras exported by Chinese companies passed inspection.

Among imports, all toys, washing-machines, edible oil and vacuum cleaners passed quality checks.

Officials on Banning Use of Foreign Currencies

HK0505022594 Hong Kong LIEN HO PAO in Chinese
4 May 94 p 2

[By reporters Hsu Yun-teng (1776 0061 7506) and Chang Cheng (1728 2973): "Zhou Zhengqing Says Hong Kong Currency and Other Foreign Currencies Will Gradually Be Banned From Circulation on the Mainland"]

[Text] In a special interview with these staff reporters today, Zhou Zhengqing, executive vice governor of Mainland China's People's Bank of China, said: The New Taiwan dollar, the Hong Kong dollar, and other foreign currencies will gradually be banned from circulation and use or as fiduciary units on the mainland. These currencies must not be used on the mainland, unless they have been changed into renminbi at designated exchange points.

As for when foreign businesses and foreign banks can begin the renminbi business, Zhou Zhengqing said: "It is not time yet. I think it is impossible even by the end of this year. This policy will not be pursued until the tax rates for mainland banks and foreign banks are the same."

In light of the mainland's current economic situation and inflationary pressures, he stressed: There is no such thing as an overheated economy in mainland China, although a few real estate markets are overheated because of speculation. However, it is now completely under control. In particular, the new anti-inflation measures introduced recently have worked more effectively.

Wang Xuebing, president of the Bank of China, also told these reporters: The Hong Kong dollar will gradually be banned from use and circulation in the Zhujiang Delta. Travelers from outside China must change their Hong Kong dollars into renminbi for use, that is to say, the Hong Kong dollar will be allowed to be changed at exchange points in stores on a basis of "immediate exchange and immediate use."

Wang Xuebing said that the number of these money exchange points will gradually be increased to meet the needs of travelers from outside the borders to reduce the inconvenience brought about by the ban of the circulation of the Hong Kong dollar.

Expert Warns Inflation Tolerance Limit Reached

HK0405144294 Beijing ZHONGGUO XINWEN SHE
in English 1150 GMT 4 May 94

[Text] Beijing, May 4 (CNS)—Inflation in China has now reached the limit of urban residents' tolerance with market prices tending to continue upwards, a market researcher with the Ministry of Internal Trade, Mr. Xu Rongchang, said. He added that the authorities should strengthen control on prices.

Mr. Xu Rongchang said that the macroeconomic situation was generally sound during the first quarter of this year but the prices growth continued to climb based on a rather high figure of last year. National retail prices rose by 20.1 percent during the first quarter over the same period last year, a gain exceeding the prices growth registered in 1988.

Mr. Xu said he was convinced that inflation had just about reached the limits of endurance for a large number of residents. In rural areas, gains in income earned by peasants was lower than that by urban workers for the sixth consecutive year. The endurance of peasants has become so fragile when taking into consideration a total of 85 million people who have not yet solved their food and clothing problems, in addition to peasants in disaster areas. In urban areas, with the problems of inflation and unfair distribution prevailing, an increasing number of workers have seen their income cut and they have tended to have a strong response to the price hikes.

The researcher called for an immediate strengthening of macroeconomic regulation to prevent economic overheating. He also appealed for the making use of a prime chance to push forward price reform. The food package project should be properly carried out while at the same time prices should be put under control in order to keep prices growth at the set target of not more than 10 percent.

'Marked Improvement' Seen in Commodity Quality

OW0505161594 Beijing XINHUA in English 1452
GMT 5 May 94

[Text] Beijing, May 5 (XINHUA)—China has seen marked improvement in the quality of its import and export commodities in the first three months of this year, with the disqualified rate dropping to 2.16 percent.

The figure was much lower than that in the corresponding period of last year, said Tian Runzhi, the newly-appointed head of the state administration for the inspection of import and export commodities.

According to Tian, the inspection departments nationwide examined in total 373,000 groups of import and export commodities in the first quarter of the year, which were valued at 21.2 billion yuan.

Judging from the main export commodities, the quality of machinery products was the best, with a disqualified quality rate of 0.29 percent. Then came light industrial products with the disqualified rate standing at 0.45 percent.

The disqualified rate for chemical products remained the highest, to the tune of 1.59 percent, which however was also lower than the figure recorded for the same period last year, according to the official.

Significantly, some 20 items of main export commodities showed zero disqualified rates, including crude oil, rolled steel and iron products, electronic watches, electronic computers and cameras.

Of the import commodities, according to Tian, the disqualified rates of textiles, light industrial and machinery products dropped respectively to 3.8 percent, 2.74 percent and 2.51 percent, much lower than the figures recorded for the same period last year.

The imported commodities of jute, toys, household washing machines, edible vegetable oil and vacuum cleaners showed zero disqualified rates.

Wuhan Iron, Steel Company Enhancing Efficiency *OW0605065994 Beijing XINHUA in English 0627 GMT 6 May 94*

[Text] Wuhan, May 6 (XINHUA)—The Wuhan Iron and Steel Company, one of China's leading producers of steel, has been making active efforts to improve its efficiency since late 1992.

The company, which was founded in the 1950s, now has key production plants such as a blast furnace, a steel plant and a rolling mill, and auxiliary plants for making machinery, and providing electricity and water. It also has a construction team, as well as a hospital, schools and a food-processing factory.

The production efficiency of the company has long been hindered to some degree by this complicated network of installations, and the per capita output of steel of the workers in the company is around 40 tons a year, equal to only one fifth of that of the Baoshan Iron and Steel Company based in Shanghai.

Beginning in August 1992, the company has attached great importance to the improvement of its efficiency and worked out concrete measures to achieve this goal.

The measures include reducing surplus labor from the production line and diverting it to other work, and separating steel production from other departments.

Now, the company's team engaged in the production of iron and steel has been reduced from the former 120,000 to the present 50,000.

The endeavor has begun to pay off. Last year, the company produced 5.234 million tons of steel, an

increase of 5.35 percent compared with the previous year, and the per capita production of steel of the company rose to 100 tons. It also produced 5.4 million tons of pig iron last year, up 6.6 percent compared with the corresponding figure for 1992, according to company officials.

In the first four months of this year the company turned out 1.7 million tons of steel and 1.8 million tons of pig iron, both showing sharp increases compared with the related figures for the same period of last year.

Government To Buy Two Transponders on AsiaSat-2

HK0605083594 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 6 May 94 p 5

[By Kenneth Ko]

[Text] The Ministry of Radio, Film and Television of China has signed an agreement with Asia Satellite Telecommunications Co (AsiaSat) to buy two Ku-band transponders on AsiaSat-2 satellite.

With the latest purchase the ministry is committed to buy three Ku-band transponders on the satellite.

The ministry also signed two five-year lease agreements with AsiaSat for the renewal of two C-band transponders on AsiaSat-1 satellite.

Peter Jackson, chief executive of AsiaSat, said: "AsiaSat has established a wide customer base in China, and we believe the reason is our reputation for quality in the marketplace.

"We are proud of our association with China and that we are able to provide our services to its people. Our cooperation will be further strengthened with this commitment from the Ministry of Radio, Film and Television."

AsiaSat-2 is set for launch in the first quarter of next year. It has 24 C-band transponders and nine Ku-band transponders.

C-band transponders' coverage stretches from Turkey to Japan and from the Commonwealth of Independent States to Australia and New Zealand. Ku-band transponders cover mainly China and its neighbouring countries.

China now leases 6-1/2 transponders on AsiaSat-1 to 16 customers.

AsiaSat's applications in China range from television broadcasting to public and private networks, used by high-profile industry leaders and ministries.

The PEOPLE'S DAILY newspaper is using AsiaSat 1 for its distribution in China, the People's Bank of China for its national clearance system and Civil Aviation Administration of China for air ticket reservations network.

East Region

Jiangxi Governor Holds Production Safety Teleconference

HK0505152894 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 3 May 94

[Excerpts] Last evening, the provincial government held an urgent teleconference on production safety in order to circulate information on the serious gas explosion accident that took place on 1 May in the Pingku coal mine under the (Fengchang) Mining Bureau, as well as the workplace injury incident that took place at the (Xingyi) power station construction site. The government urged that earnest lessons be drawn, which have been paid for with blood, and that powerful measures be adopted to effectively ensure safety in production. At the teleconference, which was presided over by Vice Governor Shu Shengyou, Governor Wu Guanzheng and Vice Governor Zhang Yunchuan delivered important speeches. The meeting urged that All localities should uphold the idea of safety first and of putting prevention first, and effectively strengthen leadership over production safety work. The leading comrades of various localities, departments, and enterprises should learn these lessons, which have been paid for in blood from these two malignant accidents, which caused injuries and deaths; further understand the importance and urgency of strengthening production safety from the heights of maintaining stability and accelerating development; and enhance the sense of responsibility and urgency in doing a good job in production safety in the spirit of being highly responsible to the party and the people. Efforts should be made to conduct thoroughgoing education in production safety and to comprehensively enhance the sense of production safety among the broad masses of employees. [passage omitted]

The principal leaders of administrative bodies in various localities and departments, as well as representatives of enterprise legal persons, are those who assume principal responsibility for production safety in their own departments and units. They should personally take up and check production safety work. [passage omitted]

The production safety work in key trades, enterprises, and units should be effectively strengthened. All departments—particularly coal, chemical industrial, and metallurgical production enterprises; inflammable and explosive goods production, warehousing, and transport units; the building industry; and the communications and transportation sector—should further strengthen safety management in key enterprises in line with the principle of paying simultaneous attention to both production and safety. [passage omitted]

The meeting urged the launching of a mass production-safety survey throughout the province. Effective measures should be taken to earnestly handle hidden safety problems, if discovered. [passage omitted]

Jiangsu Seizes Over 10,000 Compact Discs in Apr

OW0505121894 Beijing Central People's Radio Network in Mandarin 1030 GMT 4 May 94

[By station reporter (Su Haizhen); from the "National Hookup" program]

[Text] Jiangsu Province, which captures one-fifth of China's market of audio and video products, consolidated its audio and video market by cracking down on piracy of compact discs. It confiscated over 10,000 pirated compact discs in April. Early this year, first of all, Jiangsu consolidated units producing compact discs in the province, sternly investigated and dealt with manufacturers engaged in piracy reproduction, established a system for the reproduction processing manufacturers to report their products to the authorities for examination, and, meanwhile, publicized the copyright law by explaining to the masses the knowledge of how to identify pirated, counterfeit audio and video products. In early April, Jiangsu conducted a general inspection of the audio and video market in the whole province. Audio and video administrative departments in all areas coordinated with departments in charge of industry and commerce, as well as public security departments, to repeatedly crack down on piracy reproduction of compact discs, thereby effectively dealing a blow to their illegal distribution and sales. An inspection team formed by relevant state departments praised Jiangsu's audio and video market, saying it maintained good order while enjoying brisk sales.

Jiang Zemin Sees Hospitalized Veterans in Shanghai

OW0505153294 Beijing XINHUA in English 1426 GMT 5 May 94

[Text] Shanghai, May 5 (XINHUA)—Jiang Zemin, China's president and general secretary of the Central Committee of the Communist Party of China (CPC), today called on three hospitalized veterans here.

He went to Huadong Hospital to visit Zhou Gucheng, former vice chairman of the Standing Committee of the National People's Congress, and Liu Jingji and Su Buqing, vice chairmen of the current National Committee of the Chinese People's Political Consultative Conference.

Jiang advised the veterans to focus on getting better and not worry and wished them good health and a long life.

Accompanying Jiang were Wu Bangguo, secretary of the CPC Shanghai Municipal Committee; Huang Ju, mayor of Shanghai; and Zeng Qinghong, director of the General Office of the CPC Central Committee.

Shanghai Commission Urges Crackdown on Corruption

OW0505132794 Shanghai WEN HUI BAO in Chinese 28 Apr 94 p 1

["Municipal Discipline Inspection Commission issues circular in connection with the bribery case of Yao Guitao and Ju Peijin, calling for thorough investigation and handling of embezzlement and bribery cases in order to remove corrupt elements from the party"]

[Text] The Shanghai Municipal CPC Discipline Inspection Commission recently issued a circular, which stressed: Party and government organizations and leading cadres at all levels should realize, from the perspective of reform, development, and stability, the importance of the fight against corruption and strictly investigate and handle embezzlement and bribery cases in order to remove corrupt elements from the party. This is an important content of the anticorruption struggle and is also a means of removing obstacles to reform and opening to the outside world.

The circular said: Yao Guitao, former secretary of the party committee of Xinjing Township in Changning District (member of the district party committee) and chairman of the board of directors of the Shanghai Meilian Real Estate Development and Enterprising Company, and Ju Peijin, former vice president of the Shanghai Municipal Gas Company and deputy chairman of the board of directors of the Shanghai Meilian Real Estate Development and Enterprising Company, unscrupulously accepted bribes in the first half of 1993 when they participated in a joint real estate development project with foreign businessmen. It has been verified by a preliminary investigation that Yao Guitao accepted a bribe of over 300,000 yuan, and Ju Peijin accepted over 400,000 yuan. Their acts have caused serious losses to state and collective interests. With the approval of the municipal party committee, the Changning District Party Committee, the district government, and the municipal public utilities bureau decided to expell Yao Guitao and Ju Peijin from the party and remove them from their posts.

The circular pointed out: Our cadres wield some power because they bear the responsibility for reform, opening to the outside world, and economic development. This being so, some lawbreakers have often made use of the party's cadres in achieving their objectives. All cadres should maintain a high degree of vigilance against this. In the new historical condition, every communist party member is faced with the serious challenge of fighting against being corroded. This challenge is in no way second to the life-and-death test during the war years. Promoting the healthy development of the socialist market economy by proceeding from the interests of the people and observing honesty and self-discipline—this constitutes one of the codes of conduct all party member cadres must follow in the new period. If they go against this norm, they will harm the fundamental interests of

the state and people. If they don't promptly check this trend but allow it to develop, it is possible that they will violate law and discipline and even commit crime. Party member cadres must guard against money temptation, discipline themselves, remain honest, and be able to withstand the test of reform, opening to the outside world, and of being part of the ruling party.

Shanghai Satellite Station To Begin Trial Operation

OW0605055594 Beijing XINHUA in English 0148 GMT 6 May 94

[Text] Shanghai, May 6 (XINHUA)—Shanghai's fourth international satellite ground station has passed the test by an international organization and will go into trial operation next month.

Construction of the 43-million yuan project started in September last year.

The station occupies an area of 3.26 ha and has a capacity of more than 1,000 channels. It will join three other ground stations to cover international telecommunications traffic in 14 provinces and 28 cities along the Chang Jiang river and the coastal areas.

Shanghai Inaugurates Card Phone Service

OW0605065794 Beijing XINHUA in English 0630 GMT 6 May 94

[Text] Shanghai, May 6 (XINHUA)—An advanced telephone service operated by means of magnetic cards opened in this, China's largest business center yesterday.

"This indicates that China has made progress in individual communications," an official of the Shanghai Administration of Posts and Telecommunications said.

The card telephone exchange has a capacity of 30,000 lines.

The system was developed jointly by the Xian Datang Telephone Corporation, the Shanghai Administration of Posts and Telecommunications and the Telecommunications Science and Technology Institute under the Chinese Ministry of Posts and Telecommunications.

Central-South Region

Li Lanqing Inspects Guangdong Province

OW0505152694 Beijing XINHUA Domestic Service in Chinese 0952 GMT 4 May 94

[By reporters Wang Yunfeng (3769 0061 1496) and Shi Meisi (0670 5019 3128)]

[Text] Guangzhou, 4 May (XINHUA)—During his 29 April-3 May inspection tour of Guangdong Province, Li Lanqing, member of the CPC Central Committee Political Bureau and State Council vice premier, pointed out:

Foreign trade enjoys good prospects this year, but what deserves our attention is the fact that costs of producing export-oriented goods are increasing fairly rapidly. It is necessary to take severe measures to ban the practices of rushing for raw materials at high prices and competing for market share by lowering commodity prices; otherwise, such practices will severely affect the sustained power of our exports. The Ministry of Foreign Trade and Economic Cooperation has achieved very good results in inviting bids for 10 or more export commodities this year, which helps curb such ill practices. It is necessary to sum up these experiences and spread them as soon as possible. Meanwhile, it is imperative to take effective measures to prevent the loss, especially the nonnoticeable loss, of the property of state-owned foreign trade enterprises. It is necessary to invigorate them through reform and to ensure that state-owned property maintains and increases its value. The key to achieving this goal lies in changing enterprises' management mechanism. He expressed his hope that the banking sector will provide the necessary circulating funds for those foreign trade enterprises with good export earnings and economic performances. The areas with good achievements in carrying out the policy of reform and opening should take active measures to further improve the investment environment, particularly the intangible environment, so as to explore new ways to develop foreign trade and to attract foreign funds.

Accompanied by Xie Fei, member of the CPC Central Committee Political Bureau and secretary of Guangdong Province; Guangdong Provincial Governor Zhu Senlin; and Wu Yi, minister of the Ministry of Foreign Trade and Economic Cooperation; and relevant leaders of the State Economic and Trade Commission, Li Lanqing inspected the 75th Guangzhou Trade Fair, the Huangpu customs office, and the Huangpu bonded zone. He heard reports made by responsible comrades of Zhuhai and Zhongshan cities on the work of improving foreign trade and attracting foreign funds. He inspected the new airport in Zhongshan city. In addition, he conducted a comprehensive study of some reform measures to be carried out this year.

Li Lanqing said: To build a basic framework for our socialist market economy, the central authorities have come up with many major measures for reforming the systems governing fiscal affairs, taxation, banking operations, modern business operations, investment, foreign trade, and foreign exchange. The performance in the first four months shows that the implementation of these measures has been quite stable. The problems we have encountered today are not caused by reforms but rather are the old system's defects that have been exposed by reforms. To deal with these problems, we must count on deepening reforms and replacing the operating mechanisms, and not by retreating, which has no way out. Leading authorities at all levels must consider how to reinvigorate state-owned enterprises as an important issue and place it high on their agendas. Li Lanqing

listened attentively to everybody's ideas for reinvigorating state-owned enterprises, especially state-owned foreign trade enterprises, and he discussed the ideas with them.

On special economic zones' future development, Li Lanqing pointed out: After 15 years, special economic zones have undergone major changes from enjoying preferential treatment and flexible measures—such as paying lower taxes but retaining more profits—to improving their own operating mechanisms and accumulating more capital for development. In order to remain special, our special economic zones must continue to improve their investment environment, especially the intangibles environment, in accordance with international norms. To attract more investment from large consortia and transnational companies in accordance with China's development strategy and industrial policy, special zones must use foreign capital more efficiently and on more technologically advanced projects. Meanwhile, special economic zones should take the lead in launching pilot reform projects and adopting good foreign experiences useful for China.

Li Lanqing was highly interested in educational investment and teachers' pay, especially their housing situation. Passing through a residential housing area in Zhongshan city, he demanded to visit the home of a retired teacher. He was glad to see that because of the government's preferential treatment, the teacher had living quarters in which each member of his family had on average more than 13 square meters of floor space. He fully acknowledged the city's experiences in solving teachers' housing problems. At a meeting with leaders of Jinan University, Li Lanqing stressed that universities should proceed with reforms with the objective of achieving higher academic quality and better educational results. He said that universities should explore a new way to arouse the enthusiasm of all quarters and promote educational cooperation at home and abroad, and universities should make greater efforts to train versatile personnel useful for the development of the market economy—personnel who are knowledgeable about the economy as well as about industrial technologies. While the government is increasing investment in education, he said, schools must also speed up their reforms. Li Lanqing praised Guangdong for its attention to education in recent years.

Li Lanqing also mentioned that smuggling activities must be cracked down on with protracted efforts and on a regular basis, and that bonded zones must do a good job in providing storage service, handling indirect trade, and processing supplied materials according to international norms.

Guangdong Official Views 'Prominent' Economic Problems

HK0605070594 Beijing ZHONGGUO XINWEN SHE
in Chinese 1233 GMT 17 Apr 94

[By Dai Yaping (2071 0068 1627)]

[Text] Guangzhou, 17 Apr (ZHONGGUO XINWEN SHE)—Lu Ruihua, executive vice governor of Guangdong Province, said that in the first quarter of this year, while actively carrying out fiscal, foreign trade, banking, and investment reform, Guangdong continued to grasp the opportunity for accelerating development and maintained the momentum of economic growth.

At a recent meeting in Guangzhou, the provincial government analyzed some prominent problems in economic operations and worked out solutions.

According to Lu Ruihua, in the first quarter, the gross industrial output value produced by enterprises at and above township level in Guangdong reached 105.1 billion yuan, an increase of 21 percent over the same period last year; sales reached 96.7 billion yuan, an increase of 18 percent; exports reached \$7.555 billion, an increase of 16.1 percent; and the amount of foreign funds actually used reached \$2.196 billion, an increase of 48.8 percent.

Prominent problems in economic operations at present include a high rate of price increases, a serious shortage of working funds, a hidden crisis in grain production, and a lack of coordination between some reform measures.

Lu Ruihua said: The Guangdong government is soberly aware of the current situation, and realizes the necessity of strictly controlling the scale of investment while facing a stern monetary situation, stabilizing and developing grain production and preventing grain production from declining, and conscientiously carrying out fiscal reform and guaranteeing stable increases in fiscal revenue.

He said: Local governments at all levels in the province must attach great importance to keeping prices of daily necessities stable, strictly control the adoption of price reform measures without going their own way, intensify government control over market prices, establish food price regulation funds more quickly, establish a reserve system for major commodities, and resolutely check various practices which are contrary to price control regulations.

Guangzhou's 'Voice of Workers' Hotline Begins

HK0505143494 *Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 1 May 94*

[Excerpt] Guangzhou's "Voice of Workers" hotline, run by the Guangzhou City Federation of Trade Unions, officially went into service at 0855 this morning. The hot line will enable staff and workers to voice their views on labor rights, disputes, security, and welfare; obtain answers to their questions; and have their views, complaints, and suggestions relayed to the leaders of relevant departments.

Chen Weiguang and Du Meixian, chairman and vice chairman of the Guangzhou City Federation of Trade Unions, officiated at this morning's ceremony. They also talked to those staff and workers who used the newly

installed the hotline this morning, expressing thanks to them for their support. [passage omitted]

Guangdong Vice Governor Meets Portuguese Premier

HK2704123594 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 16 Apr 94*

[Text] Yesterday evening, Vice Governor Lu Ruihua, on behalf of Governor Zhu Senlin, held talks with visiting Portuguese Prime Minister Anibal Cavaco Silva, at Guangzhou's White Swan Hotel.

Accompanying Prime Minister Silva on his visit to China were the minister of commerce and tourism, the Portuguese ambassador to China, the former minister of foreign affairs, the Portuguese chief representative to the Sino-Portuguese Joint Liaison Group, and some reporters and figures from the Portuguese business circles, more than 130 people altogether.

Touching on the issue of Macao, Lu Ruihua stated that Guangdong Province would further strengthen ties and cooperation with Macao in all areas.

After the talks, Lu Ruihua gave a banquet in honor of Prime Minister Cavaco Silva and his entourage.

Foreign Firms Reportedly Abusing Labor in Guangdong

HK0605083794 *Hong Kong HONGKONG STANDARD in English 6 May 94 p 1*

[By China Editor Cary Huang]

[Text] More than 70 percent of overseas-funded enterprises in Guangdong province have abused workers' rights or violated Chinese labour laws and regulations, an official survey has found.

Seventy-one of 100 foreign ventures surveyed in the province were found to be in breach of the labour rights protection law, Chinese sources quoted a provincial labour authority's report as saying.

Guangdong is home to about two-thirds of more than 200,000 foreign-funded enterprises in China, of which about two-thirds are owned by Hong Kong businessmen.

There has been an increasing number of labour rights abuse cases in China recently, and the issue has become a matter of concern for labour authorities and trade unions.

The survey, by the Guangdong Provincial Labour Bureau and the Provincial Association of Trade Unions, found many company regulations in the foreign-funded, labour-intensive manufacturing sector were not in line with Chinese laws regarding workers' rights.

The report says many factory rules and disciplinary actions imposed by employers violated China's Enterprises Law and the Regulations on Award and Punishment of Enterprise Employees stipulated by the State Council, China's cabinet.

The survey of foreign-funded ventures in the Pearl River delta area, including Shenzhen, Guangzhou, Zhuhai, Dongguan, and Baoan county, was prepared for the provincial legislature to devise concrete and specific regulations for the administration of foreign-funded ventures and for the protection of workers' rights.

The survey found that a large proportion of ventures required workers to work much longer hours than was stipulated in the law.

Many firms fined workers if they were found to be in violation of company rules. Some foreign employers required workers to surrender their identity cards on arrival at work and that cards were returned only when workers were allowed to leave work, having fulfilled the required work quota.

Some factory rules stipulated physical punishment for workers if they were found to be seriously defying factory rules.

"Workers are required to sign a contract that includes terms to accept such illegal and inhuman factory rules before they are hired," the report says.

Bank Official on Shenzhen's Monetary Situation

HK0505132994 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0551 GMT 14 Apr 94

[Text] Shenzhen, 14 Apr (ZHONGGUO TONGXUN SHE)—A responsible official of the Shenzhen Special Economic Region [SER] Branch of the People's Bank of China [PBC] recently revealed that the monetary situation in Shenzhen was stern, and that solutions had to be found so as to overcome difficulties.

The stern monetary situation was reflected primarily in three facts: First, it was very difficult to achieve the task of increasing bank deposits this year in Shenzhen. In the first two months of 1994, bank deposits of all types decreased sharply. Although there was a rapid rebound in March, the net increase in the first quarter was only 2.2 billion yuan, against the year's target of increasing deposits by 18 billion yuan. This means that deposits will have to increase by 1.8 billion yuan every month for the rest of the year, but Shenzhen has never recorded such a rate of increase.

Second, there was a marked outflow of funds from Shenzhen to other domestic areas because some large enterprises in Shenzhen now are expanding their operations into other domestic areas, and their deposits in Shenzhen are decreasing.

Third, the Shenzhen stock market has remained at a low level for a long time, and the reform of the foreign

exchange management system and the opening of all localities in the country has made it hard to attract Renminbi funds into Shenzhen.

The bank official said that the PBC branch is trying actively and by every possible means to overcome these difficulties. The bank has laid down monetary control targets for various financial institutions. Beginning in May, the whole city will begin to operate according to the risk control model. This is an item in the in-depth reform of the banking institutions, and it is expected that the new mechanism will bring greater vigor to the banks.

Major breakthroughs will be made in the construction of the financial market in Shenzhen. The foreign exchange transfer center will be linked with the nationwide network. Efforts will be made to create conditions for putting the foreign exchange brokerage center and the gold trading center into operation at an earlier date. The construction of these markets will enhance Shenzhen's finance and fund-raising functions.

Hainan Governor Chairs Government Executive Meeting

HK0505143894 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 25 Apr 94

[Text] The 31st provincial government executive meeting was convened yesterday morning [25 April]. It was presided over by Governor Ruan Chongwu and attended by Executive Vice Governor Wang Xiaofeng; Vice Governors Chen Suhou and Liu Mingqi; Liu Xuebin, special assistant to the governor; and government Secretary General Cui Zhongjun. The leaders of relevant provincial departments attended the meeting as guests.

The participants analyzed and discussed the province's economic situation in the first quarter of 1994. The meeting stated that by and large, the province's national economy grew steadily and normally in the first quarter of this year, with the province's total accumulated industrial output value reaching 2.089 billion yuan, representing a 3 percent increase over the corresponding period last year. The province's early wheat, tropical fruits, and aquatic products grew rapidly and well, and registered substantial output increases. The province's town and township enterprises also registered dynamic growth, with their output value registering a 120 percent increase over the same period last year. The province's investment structure underwent drastic readjustments, with the result that the province's total fixed-asset investment reached 1.922 billion yuan, up by 68.4 percent over the same period last year, and the province's total investment in key projects reached 887 million yuan, up by 177 percent over the same period last year.

The meeting noted that since last year, the province has made unreserved efforts to develop commodity housing. As a result, the province's total area of commodity housing in the first quarter of this year registered an 81.8 percent increase over the corresponding period last year. In the first quarter of this year, the province's sales and

area of commodity housing increased by 260 percent and 140 percent, respectively, compared with the corresponding period last year. The province's total foreign trade volume, including both import and export trade volumes, reached 538 million yuan, representing a 25.5 percent increase over the same period last year. The province's social commodity retail volume reached 2.249 billion yuan, up by 39 percent over the same period last year. In the first quarter of this year, the province actually used a total of \$1.4 billion in foreign funds, representing a 34.7 percent increase over the same period last year. Moreover, the province maintained a balance between revenue and expenditure, and enjoyed a basically stable financial situation.

The meeting also pinpointed a series of problems plaguing the province's economic operations, including a drastic drop in grain- and sugarcane-growing areas, an excessive slowdown in industrial growth, a rapid drop in the output value of large and medium-sized state-owned enterprises, slow light industrial growth, a slight drop in export volume, and a sustained shortage of funds, as well as a drastic drop in revenue and soaring prices on the part of some cities and counties.

The meeting held that the province's difficulties have resulted from a multitude of contradictions. Given the current nationwide macroeconomic retrenchment, the province should make more energetic efforts to press ahead with all sorts of reforms, optimize the economic structure, raise economic efficiency, and maintain sustained economic growth in hopes of eventually bringing the province's economy back into a benign cycle.

The meeting emphatically called for enhancing the province's economic work in the months ahead by improving macroeconomic supervision and control; speeding up readjustment of the industrial structural and the product mix; further developing production; bringing about sustained, rapid, and healthy economic growth; increasing effective investment in both agriculture and the construction of key projects; guaranteeing sufficient funds for the production of readily marketable products; continually and vigorously quickening the pace of reforms; stepping up price control and market building; and energetically improving the investment environment.

Hainan Governor Chairs Provincial Meeting

HK0505145794 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 28 Apr 94

[Excerpt] Yesterday afternoon [28 April], Governor Ruan Chongwu presided over the 32d routine meeting of the provincial government, which examined and discussed two draft laws, including the Hainan Special Economic Zone's [SEZ] Supplementary Regulations on Collecting Extra Charges for Vehicle Fuel, and Several Provisions for Enforcing the PRC Law on Autonomy in Areas Inhabited by Minority Nationalities.

Those who attended the meeting included Executive Vice Governor Wang Xiaofeng; Vice Governor Wang

Xueping; Vice Governor Liu Mingqi; Liu Xuebin, special assistant to the governor; and government Secretary General Cui Zongjun. The responsible persons of the Legal Working Committee under the provincial people's congress and of relevant departments under provincial authorities attended the meeting as nonvoting delegates. [passage omitted]

Hainan Implements Preferential Entry, Exit Policies

HK0205095394 Beijing ZHONGGUO XINWEN SHE in Chinese 1203 GMT 8 Apr 94

[By reporter Gu Shihong (7357 2514 1347): "Hainan Implements Preferential Policies for Exit and Entry on Personal Reasons"]

[Text] Haikou, 8 Apr (ZHONGGUO XINWEN SHE)—This reporter learned from today's news briefing by the Hainan Provincial Public Security Department that, as ordered by the Ministry of Public Security, Hainan Province had implemented a series of preferential exit and entry policies.

Peng Xiaomin, of the Exit and Entry Administrative Section of the Hainan Provincial Public Security Department, said that the policy toward exit and entry for personal reasons—which are more preferential than those of other localities in China—are as follows:

First, the Hainan Provincial Public Security Department can issue visas directly to Taiwan residents upon arrival at the Haikou and Sanya ports. In accordance with the policy of "issuing visas on landing," Taiwan residents need not go through any formalities before they come to Hainan. With valid documents, they can fly from Taiwan to Hong Kong, change planes there, and come to Hainan. In addition, if compatriots from Taiwan wish to go to any open city on the mainland, but do not want to stay in Hong Kong or Macao to go through formalities, they also can come to Hainan first, obtain an "Entry and Exit Permit for Taiwan Resident Visiting the Mainland," then take a plane from Hainan to the hinterland. They can leave the mainland via any open port and without restriction. The Exit and Entry Administrative Section of the Hainan Provincial Public Security Department has set up visa offices at the airports and wharves of the Haikou and Sanya ports where incoming compatriots from Taiwan can obtain an "Entry and Exit Permit for Taiwan Resident Visiting the Mainland" immediately after showing valid documents, filling in a form, and submitting two photos. The formalities are very simple.

Second, it will not only be easy to enter Hainan, but convenient to leave it as well. In accordance with Hainan's policy on formalities connected with the "Application for Exit Permit With a Certificate of Temporary Residence"—which has been approved by the Ministry of Public Security—working personnel who have lived in Hainan for more than six months and who have registered their residence outside Hainan may

apply in Hainan for travel documents to visit other countries and Hong Kong. Working personnel who have lived in Hainan for more than one year not only can travel to other countries, but also can apply for passports for personal reasons, such as work, visits to relatives and friends, or for training abroad. In particular, Chinese citizens can go by sea to Vietnam following the Sanya-Da Nang sea route, and foreigners and compatriots from Taiwan can come directly from Vietnam to Hainan. It is said that this is China's only exit and entry sea link with Vietnam.

In addition, the Ministry of Public Security and the Hong Kong Immigration Department have agreed that beginning 1 January this year, the Hainan Provincial Public Security Department may issue "Multiple Entry and Exit Permit for Visitors to Hong Kong and Macao" for personal reasons. This will be convenient for individuals engaged in trade, economic, and science and technology activities in Hainan who want to go to Hong Kong.

The statistics indicate that the number of foreigners who came to Hainan for a short stay last year amounted to 22,887—an increase of 5.8 percent over the previous year. Last year, the number of Taiwan residents who came to Haikou by plane or by sea directly from Taiwan via Hong Kong amounted to 4,348.

Henan Secretary on Coal Industry Problems

HK0505151594 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 29 Apr 94

[Excerpts] On the morning of 29 April, the provincial party committee and government held a meeting on coal production. Provincial party Secretary Li Changchun; Vice Governor Fan Qinchun, member of the provincial party committee standing committee; and Vice Governor Yu Jiahua; as well as responsible comrades of the relevant departments directly under provincial authorities; worked together to make an in-depth analysis of the difficulties facing coal industry, and ways to overcome these difficulties and to turn the corner.

Li Changchun pointed out that the basic solution to coal industry lies in emancipating our minds, changing our ideas, deepening the reform, and establishing the socialist market economy system as early as possible. Coal was one of the industries that followed the planned economy system rigidly. It also is one of those industries facing great difficulties in its transition to the socialist market economy system. Therefore, it is necessary for us to emancipate our minds as early as possible, change our ideas, and study well the theory of the socialist market economy by combining theory with practice to accelerate the pace of reform. [passage omitted including indistinct portion]

Li Changchun stressed: At present, we must do well the work of stabilizing enterprises that face difficulties. Enterprise party organizations at all levels must truly play their key role, and communist party members must

play their vanguard and exemplary role to unite with and guide workers and staff members to deepen reforms, and overcome difficulties. They must pay attention to solving practical problems for the masses. They must show consideration for workers and staff members who have difficulties. Some workers and staff members may have complaints about certain problems; for the moment, however, these problems cannot be solved under the present conditions. We must talk to them patiently so as to bring them around.

Li Changchun urged relevant quarters to show concern for and support the coal industry. Local governments at all levels must bring diversified operations of coal industry into their plans, and actively support them. Li Changchun hoped that the coal industry, after exerting its efforts for several years, would succeed in putting an end to the passive state of affairs, take on a benign cycle, and become an important new force for invigorating Henan.

Hubei Governor Delivers Government Work Report

HK0505120094 Wuhan HUBEI RIBAO in Chinese 8
Mar 94 pp 1-2

[Hubei Provincial Government Work Report Delivered by Hubei Governor Jia Zhijie Before the Second Session of the Eighth Provincial People's Congress on 26 February: "Government Work Report"]

[Text] Fellow Deputies:

On behalf of the provincial people's government, I now submit the report on the work of the government for your examination and approval, and also for suggestions and comments from members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and other observers.

I. A Review of Our Work in 1993

The year 1993 was one in which this session of the provincial government started its work, and also one in which the people of the entire province strived to overfulfill tasks for national economic development and advanced on the road of building socialism with the Chinese characteristics. During the year, under the leadership of the provincial party committee and with the supervision and support of the provincial people's congress and the provincial CPPCC, we conscientiously implemented the spirit of the 14th party congress, put into practice all major policy decisions made by the central authorities on strengthening macroeconomic control and regulation in the light of Hubei's realistic conditions, constantly deepened reform, expanded the scale of opening up, seized favorable opportunities, accelerated development, and attained encouraging new achievements in reform, opening up, and the modernization drive. The province's GDP was 108.1 billion yuan, representing a record increase for the past eight years of 12.7 percent; the total industrial and agricultural

output value stood at 213.2 billion yuan, an increase of 17.8 percent; and financial revenue amounted to 11.47 billion yuan, a 21.8-percent increase. The per capita income used by urban dwellers for living expenses was 2,191 yuan, up by 516 yuan; while the per capita net income of peasants increased by 105 yuan to 783 yuan. Our targets of "three surpluses and one enhancement" set at the beginning of the year were all fulfilled. A review of our work of the past year shows that we focused our attention on the following major issues, which has successfully brought along the development of the whole province:

1. *Vigorous efforts made on structural readjustment helped enhance economic development and efficiency.* To achieve the goal of high yield, fine quality, and high efficiency, the agricultural sector stepped up the intensity of structural readjustment. As a result, the production of grain, cotton and cooking oil remained basically stable, while the development of the diversified economy was clearly expedited. The total agricultural output value for the year reached 46.7 billion yuan, up by 6.7 percent, of which the output value of the nonfarming sectors was up by 4 percentage points, accounting for 39.7 percent of the total agricultural output value. New strides were taken in readjusting the industrial product mix and the enterprise structure. Our plan for new product development was fulfilled in a comprehensive way, and 800 enterprises adopted the share-holding system. The industrial output value for the year amounted to 166.5 billion yuan, up by 21.3 percent. The investment structure was further optimized. The fixed-asset investment for the year stood at 34.88 billion yuan, up by 44.9 percent, while investment in agriculture, energy, transport, and telecommunications went up steadily.

2. *Close attention was paid to the development of township and town enterprises and the development of the individual and private economies, and major breakthroughs were made in cultivating new economic growth points.* The provincial party committee and government called separate meetings on the work of township and town enterprises and the work of the individual and private economies with a view to improving and perfecting policies in these fields. A campaign of emulating, learning from, catching up with, helping and in turn surpassing each other was set off in all localities, giving a great impetus to the development of township and town enterprises and the development of the individual and private economies. The total output value of the province's township and town enterprises reached 90.8 billion yuan, while the sales volume of the individual and private economies totaled 13.82 billion yuan, up by 68.8 and 71.1 percent respectively.

3. *Efforts were made to step up the development of energy, communications, and other basic industries and facilities, thus easing "bottleneck restrictions" to a certain extent.* Encouraged by the provincial meeting on the power industry, all localities tried to pool funds to accelerate power construction. During the year, generating capacity increased by 1.45 million kw, thus easing the tightness of

supply of electricity. Basic transportation facilities were being constantly improved and special attention was paid to the construction of a number of projects, including the Yihuang Highway, the Wuhan Tianhe Airport, the Chang Jiang Highway Bridge, and Enshi Airport.

4. *We seized the favorable opportunity of opening up the Chang Jiang to the outside world, and further expanded and deepened opening up.* With the implementation of the state's strategy on opening up and developing the Chang Jiang, more foreign investors began to show interest in Hubei. In order to seize this favorable opportunity, the provincial government successfully held a large-scale economic and trade fair in Hong Kong, at which a large number of contracts on cooperative projects were signed. Meanwhile, large-scale activities aimed at attracting foreign investment were also carried out in all localities, thus opening up a new situation in Hubei's introduction of foreign investment. Cities like Wuhan and Yichang in particular have become hot investment spots for major companies and financial groups based in foreign countries as well as in Hong Kong and Macao. The number of newly approved foreign-invested enterprises across the province was 2,188, 943 more than the previous year. The total investment amount entailed by all projects stood at \$4.84 billion, up by 190 percent, of which foreign investment totaled \$1.94 billion, with \$530 million already put into use, registering a 160-percent increase. Remarkable results were attained in foreign trade and export. The total export volume reached \$1.686 billion, representing an increase of 22 percent.

5. *Strides were taken to implement major policy decisions of the central authorities on strengthening macroeconomic control and regulation in the light of Hubei's realistic conditions, thus ensuring normal national economic operation.* Shortly after the central authorities issued the No. 6 Document, the provincial party and government promptly called a provincial meeting on financial and monetary work, at which the guiding principle of two "unswervings" was defined and a "Suggestion on Implementation of the No. 6 Document of the Central Authorities to Improve and Strengthen Macroeconomic Control and Regulation" was issued. As a result, the arbitrary practices of granting loans, raising funds, and establishing monetary institutions were effectively stopped. With a view to making flexible use of capital which was already in short supply and attaining greater progress under difficult situations, governments and monetary departments at all levels worked in close coordination, strengthened the collection and regulation of funds, satisfied the demands for purchasing agricultural products, and put an end to the practice of issuing IOUs. Remarkable results were attained in mobilizing the masses to deposit more savings in banks. By the end of December, the savings deposits balance across the province reached 79.852 billion yuan, an increase of 18.042 billion yuan over the same period of the previous year, of which the savings deposits newly added during a

four-month period from August to December accounted for 56 percent of the total, registering an increase of 6.573 billion yuan over the same period of the previous year. The year-end loans balance was 116.261 billion yuan, 17.9 billion yuan more than the end of the previous year.

6. A well-coordinated development was brought to the economy and social undertakings, and the living standards of the people were further improved. Great headway was made in applying scientific and technological achievements to economic development. Of the province's 550 scientific and technological achievements at the provincial level and above, 39 were given national awards and the utilization rate stood at 80 percent. Education developed in a comprehensive way. Elementary education was further stepped up, while vocational and higher education constantly improved. Sports were further developed. Nine athletes from Hubei won world championships at international meets during the year, while another three broke world records on six occasions. Progress was also registered in the fields of literature and art; the press and publishing; radio, film and television; the social sciences; public health; family planning; and environmental protection. Alongside the development of our economy, markets flourished, enjoying brisk buying and selling. The volume of retail sales for the year amounted to 55.654 billion yuan, registering an increase of 21.1 percent.

7. *Simultaneous attention was paid to "two types of work" with a view to reinforcing the building of socialist spiritual civilization, socialist democracy, and the legal system.* Education was carried out in depth on the party's basic line, patriotism, collectivism, and socialism; while activities were launched with the aim of cultivating new practices in trades, emulating Lei Feng at various working posts, and building "two civilizations" units as well as civilized households. As a result, the ideological and ethical qualities of the vast numbers of masses were enhanced. Through their study of Volume 3 of the "Selected Works of Deng Xiaoping" in particular, the people of the entire province further strengthened their consciousness and confidence in taking the road of building socialism with Chinese characteristics. Governments at all levels submitted regular work reports to the standing committee of the provincial people's congress, briefed the provincial CPPCC on recent developments, solicited opinions of all sides on major issues, and thus further reinforced democratic supervision and decision-making procedures. The campaign of "cracking down on crime" continued. Heavy punishments were swiftly handed down to a number of major criminals according to the law, thus bringing a favorable turn to social order. Strides were made in lightening the heavy burden of peasants and protecting their legitimate interests and rights. The anticorruption struggle was carried out in depth, and a number of large and serious cases were cracked, bringing about new breakthroughs in the building of clean government.

Fellow Deputies,

We attained tremendous accomplishments last year. It is the people of all nationalities of our province who, through their hard work and concerted efforts, have made all these achievements possible. On behalf of the provincial people's government, I wish to express heartfelt gratitude to the vast numbers of cadres and masses working on all fronts across the province as well as to the officers and men of the People's Liberation Army and the Armed Police stationed in Hubei. I also wish to express our sincere thanks to our compatriots in Taiwan, Hong Kong and Macao and those residing abroad and to all our international friends who care about and support Hubei's construction!

While affirming our achievements, we must also recognize with a sober mind that there have been failings and mistakes in the work of the government and that there are still problems and difficulties in our way ahead. These are chiefly the following: Capital supply and demand remain imbalanced, and a considerable number of medium-sized and small enterprises are faced with great difficulties in their operation and plagued by heavy losses; commodity prices have increased by a large margin, making life more difficult for workers in enterprises in which production has been totally or partially suspended, and also for peasants in certain mountain areas; social order was not as good as expected; the situation in family planning still remains grim; and corrupt practices, formalism, and bureaucracy existing among a minority of state workers have impaired the close ties between the government and the masses. We need to pay close attention to and to adopt effective measures to solve all these problems. In reviewing our work in the past year, we believe that earnest efforts need to be made in the following fields this year in order to consolidate and develop the present sound situation in reform and opening up:

First, to maintain a sustained, rapid, and healthy development of the national economy, it is imperative to regard development as the last word. At present, Hubei is enjoying favorable opportunities and conditions for further development. We must seize these favorable opportunities and go all out to accelerate economic development. We should give vigorous support to those localities which have the conditions to speed up construction and which have the capability to expedite construction through arduous efforts. With a view to creating a sound social environment wherein development is justified and commendable, a policy should be adopted toward localities, enterprises, and individuals of remuneration for their outstanding contributions to economic development, thus giving form to a unifying force in our effort to speed up economic reform.

Second, it is necessary to continuously deepen reform and expand opening up, and bring about a faster and better development of the economy. Since reform and opening up are a strong motive force to push forward economic development, we need to step up the intensity of reform, and rely on reform to bring along the whole situation. We must integrate economic development with reform

and opening up in an organic way, focus our efforts on reinvigorating state-owned large and medium-sized enterprises, deepen reform in all sectors, speed up the development pace of an export-oriented economy, and inject greater vigor into our economy.

Third, we must put the enhancement of economic efficiency in first place, and seek unity between speed, efficiency, and development potential. We must put an end to practices such as blindly seeking high output values, engaging in overlapping construction of poor quality, and extensive management; exert great efforts to optimize the economic structure, push forward technological progress, and improve operational management; and regard, in real terms, the enhancement of economic efficiency as the focus of our economic development.

Fourth, we must correctly handle relations between reform, development, and social stability. Reform is a motive force of development while development is the goal, and social stability is the prerequisite for both.

Under the present situation wherein reform is intensified and development accelerated, we must take into consideration the endurance capacity of all social sectors, and correctly handle relations between reform, development, and social stability. We should not stress stability to the neglect of reform and development, nor can we only emphasize reform and development to the neglect of social stability. What we should do is integrate the three in an organic way and make them complementary to each other.

Fifth, we should "pay simultaneous attention to two types of work," attaching equal importance to both. Efforts to strengthen the building of spiritual civilization, socialist democracy, and the legal system with a view to maintaining political and social stability are a fundamental guarantee for pushing forward the building of material civilization. To ensure smooth progress in all fields of endeavor, we should unswervingly pay simultaneous attention to the building of material and spiritual civilization, attaching equal importance to reform and opening up on the one hand and to the building of clean government and the crackdown on all crime on the other.

II. The Goal of Struggle and Major Tasks in Economic Development in 1994

The year 1994 is vital not only to Hubei's plan to push the national economy onto the first new step in the nineties, but also to our efforts to promote reform. At present, our province is enjoying favorable opportunities and a sound situation for further development. The national economy has joined an "express line" of development; following Wuhan and Huangshi, Yichang has become another open city, thus bringing a major change to the overall setup of opening up; and preparations for the Three Gorges project are well under way. Meanwhile, the state has readjusted the setup of the automobile

industry and speeded up the 10-million-tonne transformation of the Wuhan Iron and Steel Plant, thus providing us with more new opportunities. In fact, Hubei has been pushed to the forefront of reform and opening up in the central and western regions. The development of the situation has set objective requirements for Hubei to speed up its reform and construction and to play a greater role in the country's overall economic setup. The whole province should have a greater sense of historical responsibility and mission as well as the sense of urgency in accelerating reform; seize the present favorable opportunities; step up the intensity of reform, opening up, development, and implementation; and attain greater accomplishments in the new year. The following is the general guiding ideology for our future economic work: We should unswervingly follow the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as well as the party's basic line, conscientiously implement the spirits of the 14th party congress and the Third Plenary Session of the 14th CPC Central Committee, act in accordance with the requirements raised by the sixth provincial party congress, seize the present favorable opportunities, expand the scale of opening up, consolidate the basic position of agriculture, bring into full play the pillar role of large and medium-sized enterprises, pay close attention to major economic growth points, do a good job in strengthening such weak links as the light and textile industries, step up the building of infrastructural facilities and basic industries, promote scientific and technological progress and carry out structural readjustment, strive to enhance the efficiency and quality of the economy, and bring about a sustained, high-speed, and healthy development to Hubei's national economy. The overall goal of struggle is to "overfulfill plans, catch up with other parts of China, mount a new step, and bring about new breakthroughs to all industries and trades." In other words, Hubei should overfulfill one year ahead of schedule all tasks set out in the Eighth Five-Year Plan, strive to keep pace with the country's average national economic growth rate, and successfully mount its first new step in the nineties. The following are some major targets for this year's national economic development: GDP is expected to reach 118.4 billion yuan, up by 9.5 percent, of which primary industry will gain an increase of 5 percent; secondary industry, 12 percent, and tertiary industry, 11 percent. The total industrial and agricultural output value is forecast to be 241 billion yuan, registering a 13.1-percent increase; and total financial revenue to be 13.1 billion, up by 8.84 percent if calculated in terms of comparable items. The income of workers and staff in state-owned enterprises and the per capita net income of peasants are expected to increase by 15 percent and 100 yuan respectively. The total volume of retail sales will be controlled at below the country's average level.

To fulfill or overfulfill this year's tasks of national economic development, we must break with conventional practices, work out new ideas and adopt new measures, and bring about new breakthroughs. First of all, we need to have new ideas in developing our

economy. Fundamentally speaking, this means that we should transform the economic operation from extensive management to intensive management, and open up a development road characterized by less input, more output, good quality, high efficiency, and fast accumulation. Second, we need to make new breakthroughs in policies. The most urgent task for the time being is, in line with the usual practices of the market economy, to promptly work out a number of concrete policies and methods on enlivening the economy; and to give a free hand to and encourage grass-roots units, enterprises, and the masses to try their best to boost the economy. Third, new moves and measures should be taken in our work. That is to say, we need to accomplish a number of major tasks in order to bring along the whole situation, and to base the high-speed economic development on a solid foundation. The focus of this year's economic work is to **grasp one key issue, bring about five large-scale breakthroughs, start three major motivation projects, and alleviate four conspicuous contradictions.** This means that we should focus our efforts on state-owned large and medium-sized enterprises; bring about breakthroughs in the development of the diversified economy, township and town enterprises, tertiary industry, the individual and private economies, and the export-oriented economy; start as soon as possible a number of major projects, including the 1-million vehicle project, the 10-million-tonne steel transformation project of the Wuhan Iron and Steel Plant, as well as auxiliary projects serving the Three Gorges project; and ease the tight supply of capital and remove bottleneck restrictions in the fields of energy, transportation, and telecommunications.

In line with the above goals of struggle and development plans, our economic work this year will be focused mainly on the following issues:

1. With the aim of increasing the income of peasants, we should stabilize the production of grain, cotton, and cooking oil; bring about breakthroughs in the development of a diversified economy and the development of township and town enterprises; and enliven the rural economy in a comprehensive way.

Since agriculture has the power to bring great order across the land, we need to put agriculture in a primary position in our economic work. This year's total grain and cotton outputs are expected to reach 23.5 million and 500,000 tonnes respectively. The total agricultural value is forecast to be 49.5 billion yuan, representing an increase of 6 percent. In view of market demand, we will make vigorous efforts to boost the production of fine-quality grain and cotton, as well as side crops in high demand, such as soya beans and corn; and continue to guide agriculture along the development road characterized by high yields, fine quality, and high efficiency. Continued efforts will be made to build a number of counties into major production bases of commodity grain and cotton, as well as to set up agricultural demonstration zones of "two highs and one excellence"; to open up more "grain fields with a yield of one tonne per

mu," "cotton fields with a yield of 200 kg per mu," and "farm fields which can produce an output value of 1,000 yuan per mu"; to vigorously spread the use of high-yielding and highly efficient crop-raising patterns; and to enhance the plantation efficiency of grain and cotton. We will conscientiously implement the series of preferential policies extended to agriculture by the party, protect the enthusiasm of peasants in production, firmly establish the concept of fighting natural disasters and striving for harvests, make careful preparations for the prevention and control of all kinds of natural disasters, and strive to reap an overall agricultural harvest this year.

Breakthroughs should be made in the development of a diversified economy, for it is a fundamental way for peasants to increase their income, to get rich, and to lead a fairly comfortable life. Efforts will be made to increase the output value of diversifying operations to 31 billion yuan, accounting for over 62 percent of the total agricultural output value; and to increase the per capita net income of peasants from diversification by more than 60 yuan. We will bring into full play Hubei's advantages in mountain and water resources; focus our efforts on cultivating pillar industries; and accelerate the production of products in high demand in both the domestic and overseas markets, including livestock and poultry, aquatic products, tea, mulberries, Chinese medicinal herbs, and fruits. Continued efforts will be made to tap the potential of the aquatic industry and gain a newly increased output value of 1 billion yuan, which makes up 10 percent of the total agricultural output value. It is necessary to expedite the development of animal husbandry, forestry, fruits, and special local products; and turn them into highly competitive sectors in the shortest possible time. All localities should act in the light of local conditions, increase input in agriculture, set up production bases which can make use of local natural resources, step up the processing industry in light of market demand, develop a number of pillar industries and fist products, and gradually achieve the goal of every township and village having its own highly competitive industry or product. Mountain areas are required to successfully put into effect the practice whereby each person is responsible for one mu of cash forest. We should take further steps to motivate the enthusiasm of all rural households in developing a diversified economy, expand the scale of the courtyard economy, enhance the development level, and engage ourselves in running green enterprises.

It is imperative to make breakthroughs in the development of township and town enterprises by reinforcing relevant measures. This year's output value of township and town enterprises is forecast to be 125 billion yuan, registering an increase of 37.7 percent. We should implement in a thoroughgoing way all preferential policies which are designed to support the development of township and town enterprises, continue to increase input in such enterprises, raise funds through various channels, and strive to input an additional amount of 4.5 billion

yuan into township and town enterprises this year. Vigorous efforts will be made to acquire the state's special-purpose loans earmarked for the development of township and town enterprises in central and western regions. We will continue to implement the policy of providing support in terms of working capital and loans at discount interest, and give a stronger backing to those township and town enterprises which enjoy "three highs" and which are engaged in earning foreign exchange through exports and producing substitutes for imported goods. Efforts will be accelerated to set up master files for projects carried out by township and town enterprises, as well as for highly competitive products; to attract more foreign investment; and to enhance the grade and level of township and town enterprises. It is necessary to continue deepening the reform of township and town enterprises; vigorously develop shareholding cooperative enterprises; facilitate the integration of trade, industry, and agriculture; strengthen enterprise management; and enhance the economic efficiency of enterprises. This year, we plan to give form to a number of new enterprises which enjoy an output value of 1 billion yuan, organize a number of enterprise groups, build a number of small industrial zones, and develop a number of leading enterprises in agricultural and sideline production. Strides will be made in closely integrating the development of township and town enterprises with urban construction with a view to speeding up the process of urbanization of rural areas.

It is imperative to pay simultaneous attention to the practice of selecting the best qualified and to the work of giving assistance to the poor, and to successfully fulfill the "eight-seven" aid-the-poor campaign [a national campaign aimed at giving great support to poor areas, especially old revolutionary areas, areas inhabited by minority nationalities, and remote border areas; helping them extricate themselves from poverty and get rich; and providing 80 million people across the country with sufficient food and clothing within the seven years from the present to the year 2000]. We will conscientiously carry out all preferential policies designed to support the development of poor areas, continue doing a good job of the project of "providing sufficient food and clothing," help poor areas develop a diversified economy, and assist them in finding more ways to get rich. Meanwhile, we will also encourage all sectors of society to give unit-to-unit support to key areas, thus accelerating the pace of poor areas extricating themselves from poverty and getting rich.

2. A high-speed growth will be maintained in industrial production on the basis of enhancing efficiency.

This year's provincial industrial output value is planned to grow by 15 percent, with a production to sales rate of over 95 percent. To fulfill this arduous task, we must adopt powerful and effective measures to ensure a high-speed industrial growth.

First, we should exert great efforts to run well state-owned large and medium-sized enterprises. Because

Hubei's stable economic growth mainly relies on large and medium-sized enterprises, we must regard the work of running well state-owned large and medium-sized enterprises as the central issue of this year's work: 1) Preferential measures will be adopted in capital supply to satisfy the rational needs of large and medium-sized enterprises in production and operation; 2) we will step up the intensity of reform and enliven various kinds of enterprises in different sectors. We are planning to revitalize enterprises by transforming them into shareholding cooperative enterprises and by shifting their production to tertiary industry, or through introduction of foreign funds, organization of enterprise groups, and leases and auctions; 3) with the aim of lightening the burden of enterprises, all their irrational burdens should be thoroughly screened. Efforts will be made to absolutely reduce the irrational burdens of enterprises, thus creating a sound external environment for enterprises.

Second, with a view to expanding the operational scale, we will accelerate the building of the "giant project." To enable key means of production to flow toward highly competitive industries, enterprises, and products, we will mainly rely on large and medium-sized enterprises, on joint property rights, and on readjustment of product mix to integrate technological transformation and development with enterprise reform; accelerate the development of a large number of economically strong major enterprises, companies, and groups; and greatly enhance the level of Hubei's scale operation and improve its competitiveness as a whole. This year, while continuing to consolidate and improving existing enterprise groups, we will step up our efforts to organize a number of large and medium-sized enterprise groups which have output values exceeding 500 million, 1 billion, and 1.5 billion yuan. We will unrelentingly carry out a product strategy, continue to do a good job in the development of both 100 key products and 4,000 new products, and strive to push the fund rate of output value of new products to 13 percent.

Third, we will intensify technological transformation, and rejuvenate the light and textile industries. At present, with relatively large stocks and a large number of employees, the light and textile industries are generally plagued by outdated equipment, backward technologies, products of inferior quality, and poor competitiveness. In view of this situation, we must regard the transformation of the light and textile industries as a major issue in our efforts to save enterprises, stabilize society, and bring into play Hubei's advantages in stocks. Through updating and upgrading the light and textile industries, we can successfully bring improvement to and enliven industry. This year, we should put the focus of technological transformation on motivation for the "plan to rejuvenate the light and textile industries" and, based on highly competitive products, select a number of state-owned enterprises to carry out technological transformation with a high starting point. The provincial authorities have decided to raise funds, totaling 1 billion yuan, to set up a foundation for the rejuvenation of the

light and textile industries within this year. All localities are also required to squeeze out more technological transformation funds to step up the intensity of transformation of the light and textile industries.

Fourth, we will pay close attention to newly started major development projects with the aim of bringing about a sustained growth in the industrial economy. For a certain period in the future, we will focus our efforts on the following major projects which can bring along the whole situation: We should seize the favorable opportunity as the state is readjusting the setup of and issuing policies on the automobile industry, and rely on the Dongfeng Automobile Company to accelerate the development of Hubei's automobile industry, striving to turn Hubei within the coming decade into a major automobile-producing province with an annual output of 1 million automobiles; based on the "10-million-tonne" transformation project of the Wuhan Iron and Steel Plant, we will promote joint operation and cooperation among iron and steel plants within the province with a view to building Hubei into a first-class major steel-producing province; seizing opportunities provided by the Three Gorges project, we plan to vigorously develop industries as well as products related to the project, and bring about greater development to a number of related industries, including metallurgy, machinery, and building materials.

Fifth, it is imperative to reinforce the management and enhance the economic efficiency of enterprises. Based on the implementation of the "Law on Product Quality," we will reinforce the basic management of enterprises in a comprehensive way. Activities aimed at "transforming the mechanism, paying attention to management, improving internal training, and enhancing efficiency" will be launched in all industrial enterprises, with a view to enabling enterprises to concentrate their attention on their own operation and development; to improving their economic results; to attaching equal importance to strengthening management and to making up deficits and increasing profits; and to striving to reduce the number of loss-making enterprises and the total amount of losses by 10 and 15 percent respectively within this year.

3. Efforts will be made to step up the intensity of investment, optimize the investment pattern, and pay close attention to key construction.

This year, Hubei's society-wide fixed-asset investment will be 45 billion yuan, an increase of 29 percent; while the investment rate will stand at 30 percent. To optimize the structure of fixed-asset investment, we will increase input into technological transformation; use a small increment to revitalize a huge stock; and strive, through several years of hard work, to bring about a fundamental change to the technological quality of Hubei's traditional pillar industries, such as the light and textile industries as well as the engineering industry. The focus of basic construction is to continue reinforcing the building of basic industries and facilities, including agriculture,

energy, transportation, and telecommunications; give full support to the Three Gorges project and do a good job in the resettlement of residents in the dam area; pay close attention to the implementation of 21 major system projects; and strive to start 54 and complete or initially complete 19 projects within this year. To step up the intensity of investment, we must try to raise funds through various channels. We should seize the present opportunity as the state is reforming its investment and fund-raising structure; help large and medium-sized projects prepare for state investment which the state earlier promised to inject; and make first-phase preparations for construction projects which plan to acquire state investment. We will try to introduce more direct foreign funds for such large-scale projects as the Second Phase of the Hanchuan Power Plant, the Huanglongshi Airport, the Yihuang Highway, the Fufa Glassware Plant, and the 400,000-tonne wax-splitting project; try hard to issue 1.3 billion yuan worth of securities in Hubei, a task assigned by the state; and earnestly work out measures to ensure the auxiliary supply of local funds for key projects.

4. Breakthroughs need to be made in the development of tertiary industry, thus giving shape to a new setup of industrial growth.

The stagnant development of Hubei's tertiary industry is a major factor restricting the economic development of the province; on the other hand, it is also a field in which we can tap potentials to accelerate economic development. Therefore, we must adopt effective measures, and strive to bring about breakthroughs in the development of tertiary industry. We should focus our efforts on the development of industries and trades which need less investment, enjoy faster returns and better efficiency, have a capacity for absorbing more labor power, and are closely linked with economic development and the livelihood of the people. Moreover, we will also speed up the development of such industries as commercial services, monetary information, communications and telecommunications, real estate, and tourism. Further steps will be taken to make more flexible use of policies. The examination and approval system will be turned into a registration system, and all social sectors will be urged to make greater investment in and run tertiary industries in various ways. Meanwhile, we should encourage governmental workers as well as surplus staff of enterprises, who are the subject of reductions during structural readjustments, to engage themselves in tertiary industries; encourage enterprises of tertiary industries to merge with industrial enterprises which are closing down; support industrial enterprises in running tertiary industries; accelerate the development of the first batch of tertiary industrial groups; further relax control over tertiary industry prices, grant more loans to tertiary industries, and extend preferential policies to newly established tertiary industries.

Breakthroughs need to be made in the development of the individual and private economies, for they constitute a major force for the development of tertiary industry.

We will conscientiously carry out the decision of the provincial party and government on accelerating the development of the individual and private economies, and take more steps to mobilize the enthusiasm of all sides in bringing about further development. This year, we will strive to reach the development goal of "taking three big strides in three years" one year ahead of schedule, pushing the total sales volume of the individual and private economies to 30 billion yuan and the total number of persons engaged to 2 million.

5. Efforts will be focused on key issues so as to speed up the pace of market building.

To develop a socialist market economy, we need to have a perfect market system and smooth circulation channels. We should act in accordance with the requirements for the building of general markets and circulation; continue to set up and perfect more marketing and circulation networks; and focus our efforts on building, in major agricultural production zones as well as in large and medium-sized cities, a number of markets for bulk agricultural products and wholesale markets for means of production which enjoy effective functions and have an influence on the entire country. We will try to set up grain and cotton futures trading markets in Wuhan; a number of large-scale trading markets for means of production, mainly steel sheets, automobiles, and cement, in places like Wuhan, Huangshi, Ezhou, Shiyang, and Xiangfan; and a number of border trade markets in border townships and towns including Jinzhou, Enshi, Yunyang, Xiangfan, Huanggang, and Xianning.

It is imperative to accelerate the cultivation of the monetary market, and gradually build Hubei into a regional monetary center. While continuing to expand the operational scale of banks and to open more banking credit businesses, we will expedite the development of trusted investment companies, professional insurance companies, and urban and rural cooperative banks; try to persuade three newly organized state policy banks to set up representative offices in Hubei; try to organize and build Hubei's own regional development bank; expand international monetary business and try to have more overseas and foreign monetary institutions set up monetary organs in cities such as Wuhan; expand the trading scale of all kinds of securities, and support large enterprises, including the Dongqi Company, the Wuhan Iron and Steel Plant, and the Geheyan Power Station, in listing in stock exchanges to raise funds in huge amounts; and try to have the state set up a securities exchange in Wuhan as soon as possible so that Hubei can become a securities exchange center and a "pool" for capital in the central and western regions.

Vigorous efforts will be made to develop the labor, personnel, and technology markets with a view to rationalizing the circulation and optimizing the allocation of means of production. We will allow non-labor departments to set up labor markets, accelerate the establishment of a number of standardized and perfect employment service centers and agencies, and open up step by

step a number of windows for the labor market in coastal areas, border areas, and areas outside China. It is important to expedite the cultivation of the technology and personnel markets. We will encourage all major technology development bodies to enter the market in various forms, build up unified and open technology information systems and propagation networks across the province, and set up markets for technology, patents, and personnel in a number of cities, including Wuhan.

6. It is important to implement the strategy of "rejuvenating Hubei through the application of science and education," and enhance the overall quality of both the national economy and laborers.

Conscientious efforts will be made to carry out the "Law on Scientific and Technological Progress" with a view to closely integrating science and technology with the economy. On the basis of continuing to strengthen basic research and develop high and new technologies, we will focus on spreading the use of applied research as well as scientific and technological results, and on accelerating the process of turning scientific and technological results into real productive power. We will continue to bring up leading figures in rural areas who can guide peasants to get rich through the application of science and technology. Efforts will be made to center scientific research and development around pillar industries and industrial products, and to expand channels for integrating science and technology with economic development by using methods of the market economy. In line with the principle of "stabilizing one field while giving free hand to others," we will further relax control over the work of scientific research institutions and personnel, so that more scientific and technological forces can be directed toward the main battlefield of economic development. A technological progress mechanism combining market, scientific research, and production will be gradually set up in enterprises with a view to turning enterprises into main bodies of scientific and technological development.

To enhance the quality of laborers, the most essential factor is education. We will carry out in depth the "Outline on the Reform and Development of China's Education," put education in a strategic position and give priority to its development, increase input, deepen reform, and vigorously promote the cause of education. It is imperative to continuously readjust and optimize the structure of education, conscientiously implement the "Law on Compulsory Education," reinforce elementary education, vigorously promote vocational and adult education, steadily develop higher education, and try hard to improve school-running conditions. It is important to conscientiously carry out the "Law on Teachers," earnestly protect the legitimate interests and rights of teachers, and reinforce the building of the contingent of teachers. We will also grant greater autonomy to schools in handling school-running affairs, develop school-run industries, and encourage and support all social sectors in making donations to schools and in running nongovernmental teaching institutions.

Intellectuals are playing a specially important role in the modernization drive. We should have full confidence in the vast numbers of intellectuals politically, give them a free hand in their work, take good care of their lives, cultivate in the entire society a sound social practice of respecting knowledge and qualified personnel, and create a favorable social environment for intellectuals to display intelligence and wisdom in work. Handsome rewards should be given to intellectuals who have made outstanding contributions. We sincerely welcome people who have studied abroad to take part in Hubei's construction in various ways, assuring them of preferential treatment and allowing them to come and go freely.

The final goal of economic development is to constantly improve the material and cultural lives of the masses of people. This year, thanks to the salary reform, workers and staff of administrative organs have seen increases in their income, while the income of those working in enterprises will also increase with the development of production. Moreover, the income of peasants has also increased as a result of the growing rural economy and increases in the purchase prices of agricultural products. While trying to increase incomes, we will continue to improve the living standards of urban and rural residents, pay attention to the "shopping basket" project and the construction of urban facilities, accelerate the development of public health, improve the prevention and treatment of local diseases such as snail fever and Keding disease, vigorously promote cultural undertakings, and bring about a fairly great improvement to the quality of people's lives. What merits special notice is the relatively difficult situation of the masses who live in poor areas as well as workers working in enterprises which are plagued by poor economic results and which have suspended production entirely or partially. Governments at all levels should adopt positive measures to help them solve difficulties.

Family planning, land management, and environmental protection are China's basic national policies. We must conscientiously implement these policies and try to achieve outstanding results in the work. The birth rate in our province has exceeded the country's average level in recent years; therefore, we must adopt effective measures to put an end to this situation. Results in population control will constitute an important part of the appraisal of the work results of party and government leaders at all levels. It is imperative to strictly implement laws, rules, and regulations on family planning, to focus the family planning work on rural and urban floating populations, and to firmly control the birth rate within the scope specified by the state. We will value land highly, strictly control land earmarked for basic construction, put into practice the system for the basic protection of farmland, build up a farmland compensation mechanism, and enhance the utilization rate of land. We will unswervingly fulfill the strategic task of "afforesting Hubei within 10 years," and basically open up all uncultivated mountains this year. Continued efforts will be made to protect all kinds of natural resources, prevent industrial

pollution, and bring about a well-coordinated development to environmental protection and the economy.

III. Speed Up the Pace of Reform and Carefully Carry Out Reform in All Fields

This year is a crucial one for making key breakthroughs in reform and pushing forward reform as a whole. The state has promulgated reform measures one after another on the management structures of finance and taxation, the monetary industry, investment, planning, and foreign trade, as well as on the establishment of a modern enterprise system. Successful implementation of all these reforms are of vital importance to the establishment of the framework of a socialist market economy. Governments at all levels should earnestly strengthen leadership over reform, carefully organize reform in different fields, and ensure that all reform measures put forward by the central authorities can be smoothly carried out in Hubei.

1. Efforts will be made to actively and steadily push forward the structural reform of macrolevel management.

First, the fiscal and taxation reform. This reform consists of three parts, namely, reform of the taxation system, the system whereby tax revenues are shared by central and local authorities, and the system of enterprise profit distribution. Reform in the above three fields is the most difficult and most important part of the entire reform, for it has a great bearing on the setup of interest distribution. Therefore, in order to succeed in all these reforms, we need to make careful plans. The general principle of the structural reform of tax division designed for all prefectures, cities, and autonomous prefectures by the provincial authorities is: Rationally divide revenues and expenditures in accordance with the principle and goal set by the central authorities concerning the local system of tax division and in line with the principle of seeking unity between administrative and financial powers; pay persistent attention to both overall design and phased implementation; successfully dovetail new structures with old ones; and gradually put the new into effect. After the system of tax division is adopted, the original financial structure will remain functional in principle, with a view to safeguarding the immediate interests of all localities. While doing a good job in the reform of the financial and taxation structure, we need to pay close attention to this year's financial work, ease contradictions between revenue and expenditure, and create conditions for a smooth implementation of other reforms. We will conscientiously carry out the new taxation system, strengthen the collection and management of taxes, and submit tax revenues to the state treasury in strict accordance with the stipulations of the tax division system. We should adhere to the principle of restraining all financial expenditures, and strictly observe restrictions set out in the budget. Financial departments at all levels should be responsible for balanced revenue and expenditure and none is allowed to go into the red.

Second, reform of the financial structure. The main tasks of financial reform are: Further transform the functions of the People's Bank; pay close attention to the establishment of policy banks, and transform existing specialized banks according to the general principles of commercial banks; actively and steadily develop the system of cooperative banks; make preparations for the open market operations of state treasury bonds and foreign exchanges; do a better job in running existing capital, securities, and foreign exchange swap markets; and conscientiously accomplish all work relating to the adoption of unified exchange rates. The tight supply of capital still remains a conspicuous contradiction in Hubei's economic development this year. Therefore, we must adopt effective measures to ease the situation. While continuously doing a good job in attracting savings deposits of all kinds, we will try hard to expand bond and insurance business, run well the money-lending market, expand sources of capital, and pool more funds for economic development. Further efforts will be made to make flexible use of capital in stock, accelerate the circulation of funds, and enhance the utilization efficiency of funds. It is necessary to continue to readjust and optimize the credit structure; try to satisfy rational demands for the purchase of agricultural and sideline products as well as the production and operation of state and provincial key construction projects, foreign trade operations, and trades and enterprises which enjoy sound economic efficiency; and ensure the normal operation of the national economy.

Third, reform of the investment structure. The focus of this year's reform is: Grant greater decisionmaking power on investment projects, and gradually build up risk responsibilities for legal person investments and bank loans. Enterprises are granted autonomy in making decisions concerning competitive project investments, and are responsible for all potential risks. Banks have the decisionmaking power on granting loans and are responsible for their own profits and losses. By using economic methods, we will improve control and regulation over the overall scale and the structure of investment; perfect the fund management of welfare investment and set up a provincial-level welfare investment contract system; expand the fund-raising channels as well as the operational scope of provincial-level investment companies, and increase their financial strength in operation; and improve the government's financial investment methods, and turn nonreimbursable investment into compensatory share-holding investment.

Fourth, reform of commodity prices. This year, the state is to appropriately readjust the prices of energy, grain, and cotton. With the addition of the impact produced by last year's price rises, it is an arduous task to keep price rises under control. Governments at all levels should earnestly strengthen leadership over price control, carefully organize the implementation of reform measures, and strive to bring price rises below the country's average level. To alleviate pressure produced by price rises, we should, on the one hand, try hard to increase

effective social supply, especially the supply of agricultural and sideline products; on the other hand, adapt ourselves to the new situation resulting from changes in the mechanism of price formation, set up a reserves system for a number of consumer goods which are closely related to the basic needs of the masses, such as grain, pork, eggs, and sugar, as well as key means of agricultural production; and use economic means to make timely readjustments to market prices.

2. Focus will be placed on the establishment of a modern enterprise system, and enterprise reform will be deepened in a comprehensive way.

Establishing a modern economic system is the goal of enterprise reform and a fundamental method for revitalizing state-owned enterprises. We should seize the present favorable opportunities in reform; continue implementing the "Enterprise Law" and "Regulations on Changing the Operational Mechanism of State-Owned Enterprises"; do a good job in three internal reforms on the labor, personnel, and distribution of enterprises; have the courage to explore effective ways to establish a modern enterprise system, and provide the high-speed economic growth with a strong motive force. The provincial authorities plan to carry out experiments with the modern enterprise system in 50 selected large and medium-sized industrial and commercial enterprises, including the Wuhan Iron and Steel Plant, the Dongqi Company, the Jinmen 400,000-tonne wax-splitting project, the Qingjiang Development Company, and the Houwang Group; and allow about 10 qualified enterprises to list on stock exchanges or to issue stocks outside China. These influential enterprise experiments will surely bring along the development of related enterprises. We will continue to transform enterprises into share-holding cooperative enterprises, and try to push the number of share-holding enterprises to 1,000 this year, thus laying the foundation for the adoption of the modern enterprise system in state-owned enterprises. It is imperative to vigorously push forward the structural reform of property rights, pay close attention to appraising properties and funds as well as defining property rights, settle claims and clear up debts, accelerate the establishment of the property rights exchange market, trade-in idle assets of state-owned enterprises and auction off enterprises, and standardize trading behavior. The provincial authorities will set up a supervisory committee on state-owned assets, and experiment with the practice in 40 assigned pillar enterprises with a view to reinforcing supervision over state-owned assets.

3. Vigorous efforts need to be made to push forward reforms in the social guarantee and housing systems.

The focus of reform in the social guarantee system is to further expand the coverage of pension and medical insurance. The pension and medical insurance of urban workers and staff should be jointly borne by units and individuals, combining overall social arrangements with individual accounts; while in rural areas where conditions allow, a pension and insurance system based on

individual savings accumulations will be carried out on the basis of the peasants' own will. It is imperative to develop and perfect the rural cooperative medical care system; expand the coverage of job-awaiting insurance; gradually set up a unified job-awaiting insurance system covering workers and staff of state-owned, collective, and private enterprises, as well as Chinese staff in foreign-invested enterprises; improve management services over the social insurance of retired and job-awaiting personnel of enterprises; and gradually reach the goal that enterprises are engaged in providing social welfare.

It is important to conscientiously implement the "Decision of the State Council on Accelerating Reform of the Urban Housing System," and speed up the pace of urban housing reform. We will adhere to the principle of "paying simultaneous attention to the sale, lease, and construction of residential houses"; and focus our efforts on the sales of houses, mainly public ones, in an active and steady way. We will step up efforts in fulfilling Hubei's housing program as part of its efforts to attain a fairly comfortable life, expedite the construction of urban residential houses, alleviate the tight supply of residential houses in urban areas, and put into practice a housing provident fund system in a comprehensive way. Housing reform is expected to be unfolded in all counties (cities) across the province this year.

4. Efforts will be made to speed up the pace of institutional reform.

We should speed up the pace of institutional reform in order to suit the needs of the economic structural reform. In line with the general arrangements of the State Council, the provincial authorities have put forward the general guiding ideology and requirements for Hubei's institutional reform: In line with the principle of separating the functions of the government from those of an enterprise as well as the principle of simplification, uniformity, and high efficiency, we will focus our attention on changing the functions of the government, strengthen the work of comprehensive departments, abolish or merge certain specialized economic departments or organs with overlapping functions and duties, cut down the staff and structural levels of administrative organs, and turn them into highly capable and highly efficient organs. In line with this requirement, all administrative organs across the province are expected to start the institutional reform this year and ensure that the work can be totally accomplished next year.

IV. Step Up the Intensity of Opening Up, and Increase the Proportion of the Export-Oriented Economy in the Entire National Economy

The goal of struggle for Hubei this year is to realize "two surpasses" and "four breakthroughs"; in other words, we plan to overfulfill the task for foreign exports set out in the Eighth Five-Year Plan one year ahead of schedule; attain a growth rate that is higher than the country's average; earn a total of \$2 billion of foreign exchange

from exports, registering an increase of 18.6 percent; set up 1,500 new foreign-invested enterprises, pushing the total number to 5,500; utilize \$1 billion of foreign investment; and attain a total output value and sales revenue of over 4 billion yuan in foreign-invested enterprises. To realize the above goals, we should pay special attention to work in the following fields:

First, we should strengthen the building of export-oriented industries and their production bases, and further arouse the enthusiasm of all sides in developing an export-oriented economy. 1) We are determined to develop in the coming several years three to five major fist products which can bring about a total export volume of over 100 million yuan, thus upgrading and increasing the batch production of exported products. The provincial authorities will set up a special fund for technological renovation to give key support to the development of export-oriented industries. 2) Relying on pillar export enterprises, we will break barriers between regions and trades; organize and set up a number of large-scale industry-trade, agriculture-trade, and technology-trade enterprise groups which are economically strong and are under intensive management; grant them autonomy in handling foreign-related operations; and push them directly into international markets. 3) We will strive to persuade the state Import-Export Credit Bank to set up a representative office in Hubei, try our best to establish financial companies specialized in import and export businesses, and provide powerful financial support for the development of the export-oriented economy. 4) It is necessary to give full play to the enthusiasm of "five contingents," vigorously open up diversified international markets, inject greater vigor into exports, and give shape to a setup of large-scale foreign trade and opening up. 5) Further efforts will be made to run well exchange-earning foreign-invested enterprises, support state-owned and collective enterprises in developing exchange-earning products, try hard to enable township and town enterprises to open wider to the outside world, develop an exchange-earning agriculture, and give shape to a number of new exchange-earning contingents. 6) Strides will be made in further expanding economic and technological cooperation with foreign countries, thus bringing along Hubei's export of complete sets of equipment, technology, and related products. 7) It is necessary to continue opening Wuhan and Huangshi Port to foreign vessels; open ports in Yichang, Shashi, and Xiangfan as soon as possible; and provide better services for the development of the export-oriented economy.

Second, we will intensify the utilization of foreign investment; and make better and greater use of foreign resources, technologies, and markets. We will bring into full play the leading role of Wuhan as well as the favorable conditions of open cities including Wuhan, Huangshi, and Yichang; make good, flexible, and sufficient use of preferential policies specially designed for open cities; attract more foreign businessmen to invest in our province; and bring along the exploration and development of the Chang Jiang economic belt. We will adapt

ourselves to new situations resulting from the taxation reform; and, based on the total capital investment laid down in previously promulgated policies, step up efforts to amend, perfect, and reiterate preferential policies which aim to encourage foreign businessmen to invest in Hubei, thus setting their minds at ease. It is necessary to introduce more foreign investment for development zones of all kinds at different levels, attract foreign businessmen to make concentrated investment in large-scale development projects, establish small development zones with various features, and develop a number of large-scale, highly efficient, high-tech projects which can produce foreign exchange in large amounts. Further efforts will be made to expand the cooperative fields in which foreign investment is utilized, guide foreign businessmen to participate in the construction of infrastructural facilities and basic industries, and engage ourselves in a number of large-scale projects. We will select a number of our best enterprises and best products to set up joint ventures with foreign investors, and speed up the pace of utilizing foreign funds to transform and "graft" state-owned enterprises. Vigorous efforts will be made to consolidate already attained results in opening up, pay close attention to the implementation of projects which use loans of foreign governments, and do a good job in the follow-up of contracts which were signed at the economic and trade talks held in Hong Kong last year. Earnest efforts will be made to run well existing foreign-invested enterprises, appropriately solve problems cropping up during the development of foreign-invested enterprises, and make a success of every foreign-invested enterprise we have set up. It is necessary to further consolidate cooperation with Hong Kong, Macao, and Taiwan; vigorously open markets in Europe, the United States, and Japan; and expand the scope of introduction of foreign investment. This year, the provincial authorities are planning to again hold large-scale economic and trade talks in France with a view to promoting Hubei's cooperation with West European countries. It is imperative to strengthen the building of open windows; set up more open windows in foreign countries, areas outside the Chinese mainland, and China's coastal areas; and expand the development channels of the export-oriented economy. We will give full play to the role of foreign-related departments, such as foreign affairs offices, overseas Chinese affairs offices, tourist agencies, and foreign-related propaganda departments, with the aim of giving form to a unified force for the development of the export-oriented economy. We will step up efforts in formulating remuneration policies which are aimed at encouraging the development of the export-oriented economy; and give encouragement and rewards politically and economically to individuals who have made contributions in introducing foreign investment, to units which can earn large amounts of foreign exchange through exports, and to foreign trade companies and localities which have attained outstanding results in exports. We will set up authoritative leading groups for the work in different fields, headed by vice governors in charge and attended by principal leaders of all relevant departments; establish work organs to strengthen the

coordination and management of foreign-related economic and trade work; simplify the examination and approval procedures on foreign investment projects by adopting the practice of "one joint office using only one chop"; and provide the development of the export-oriented economy with a powerful organizational guarantee.

V. Simultaneous Attention Should Be Paid to Two Types of Work With a View To Further Strengthening the Building of Socialist Spiritual Civilization, Democracy, and the Legal System

Strengthening the building of spiritual civilization, democracy, and the legal system is an essential requirement for building socialism with Chinese characteristics. During the process of reform, opening up, and the modernization drive, we must consistently uphold the principle of "paying simultaneous attention to two types of work, attaching equal importance to both," and strive to enhance the building of spiritual civilization, democracy, and the legal system to a new level.

Vigorous efforts will be made to promote the building of spiritual civilization. An important task in the building of spiritual civilization is to arm the people with scientific theories, guide them with correct publicity, mold them with a noble spirit, encourage them with fine works of literature and art, and bring up generations of well-educated and well-disciplined socialist new people who have high ideals and high moral standards. To attain this goal, we need to strengthen ideological and ethical education on patriotism, collectivism, and socialism; vigorously advocate social and professional ethics; and continue to carry out in-depth activities including establishing and advocating new practices in industries and trades, emulating Lei Feng at work posts, and becoming advanced units and outstanding households in building two civilizations. It is imperative to further strengthen ideological and political work; guide the people, especially the young people and children, to establish the correct ideals, beliefs, outlook on life and values; advocate a healthy and civilized lifestyle; and try hard to establish a sound general mood in society. Cultural workers should uphold the principle of "two serves" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," vigorously promote the fine cultural tradition of the Chinese nation, actively use for reference civilization results of foreign countries, create more fine works which have both a rich flavor of our times and special features of Hubei, and enrich and enliven the cultural life of the masses. To promote sports, we should bring about a coordinated development between athletic and mass sports, and strive to enhance the physical fitness of the people of Hubei through sports. The press and publishing and radio and television departments should uphold the principle of unity, stability, and encouragement; engage mainly in positive propaganda; strengthen propagation and coverage of reform and construction, and provide the people with a correct guide to opinion.

Centering around the establishment of a socialist economic structure, we will strengthen social scientific research, and provide a smooth progress of reform with a theoretical guarantee. To promote spiritual civilization, we should concentrate our efforts on the building of it. We will conscientiously implement cultural and economic policies; strengthen the building of cultural, sports, radio and television, publishing, and audiovisual facilities; and pay special attention to the construction of a diving pool and a satellite up-link station.

Earnest efforts will be made to strengthen the building of socialist democracy and the legal system. Governments at all levels should conscientiously carry out resolutions adopted by the people's congresses and their standing committees at the same level, voluntarily subject themselves to supervision, give full play to the role of the people's consultative conferences in providing political consultation and democratic supervision, and give rein to the bridging functions of a number of mass organizations, such as trade unions, youth leagues, and women's federations. Efforts should be made to open up more channels for the people to express their views and opinions, give play to the roles of experts and policymaking consultative organs of all kinds, and make policy decisions in a democratic and scientific way. Further efforts will be made to strengthen the building of the legal system; formulate and perfect administrative rules and regulations which aim to protect reform and opening up, strengthen macroeconomic control and regulation, and standardize microeconomic behavior; and work out laws and regulations for major economic activities to follow. It is important to further perfect the administrative system of law enforcement and supervision; carry out official duties according to the law, and firmly put an end to failure to act according to the law, failure to strictly enforce the law, and failure to affix responsibility to violators of the law.

Great efforts need to be made to improve all facets of public security, strictly combat all kinds of criminal activities and economic crimes according to law, and continue to carry out the campaign of "eliminating pornographic activities" and "stamping out six evils." Efforts will be made to launch concentrated campaigns and special-purpose struggles on different scales to crack down on crimes and social evils that the masses particularly resent. We will continue to uphold the principle of "paying simultaneous attention to cracking down on and preventing crimes, taking both stopgap and radical measures, and putting stress on effecting a permanent cure," strictly implement a responsibility system among leading cadres for the comprehensive improvement of public security, mobilize the masses to effect prevention and solving of crimes, carry through to the grass-roots level all measures for improving public security, and create a sound social environment for the masses of people in which they can live and work in peace and contentment. Meanwhile, to safeguard the stability of society, we should attach great importance to mediating and handling contradictions among the people, and settle problems before they get out of hand.

Strides will be made to conduct extensive education on the importance of national defense, increase public awareness of the need for it, and make a success of the work with regard to the militia and the reserve service. Continued efforts will be made to strengthen the building of the Armed Police and public security contingents. It is important that the Army supports and cherishes the people while the government supports the Army and gives preferential treatment to families of servicemen and martyrs, with a view to consolidating unity between the Army and the government and between the Army and the people. We should consistently show concern for and support the building of our Army. Efforts will be made to bring into full play the important roles of the People's Liberation Army, the Armed Police, the public security forces, and the vast numbers of militiamen in maintaining social stability and promoting the modernization drive.

It is the common responsibility of the people of the whole province to consolidate and strengthen unity between nationalities. We should carry out nationality policies in a comprehensive way, uphold and perfect the regional autonomy of minority nationalities, grant more support to areas inhabited by minority nationalities, and bring about a common prosperity among all nationalities.

VI. Further Emancipate the Mind, Improve the Work Style, Pay Close Attention to Implementation, and Ensure Comprehensive Fulfillment of This Year's Tasks of National Economic and Social Development

This year, we are faced with arduous tasks and work in reform. To ensure a comprehensive fulfillment of all tasks, we must further emancipate the mind, forge ahead and open up new paths, improve our work style, and make a success of the work in all fields of endeavor in a creative way.

Ideology leads to action. Without emancipation of the mind, there will not be any new ideas, new moves, or new breakthroughs. Under the present new situation in particular, in which the economy is being accelerated and reform is being deepened comprehensively, there is a greater need for freeing the mind. First, we should conscientiously study the "Selected Works of Deng Xiaoping," arm leading cadres at all levels with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and seek unity of understanding and action in the entire province. Through the practice of "study, practice, restudy, and more practice," we can master the spirit and essence of the theory on building socialism with Chinese characteristics, constantly acquire more knowledge about the market economy, enhance our ability to keep a rein on the whole situation, and improve the standards and work efficiency of the leadership. Second, we need to firmly establish the concept of centering around economic construction, and enhance public awareness of the need for development. It is necessary to urge all localities and departments to earnestly proceed in their work with the grand goal of

catching up with and surpassing the country's average level and bringing about greater economic development; and to encourage them to translate the goal into their practical work by working out new ideas, arrangements, and measures, with a view to combining the efforts of all sectors of our province to accelerate economic development. Third, we should further increase public awareness of the need for reform and opening up as well as the spirit of having the initiative to open new paths; earnestly act in line with the principle of "three beneficials" raised by Comrade Deng Xiaoping, and use it as a standard to check and guide our ideology and actions; break through old conventions and barriers; create a more relaxed environment for grass-roots units and the masses to carry out reform and development; and encourage and guide the masses to have the courage to open up new paths, to experiment with new ideas, and to do what our ancestors never did. Meanwhile, we also need to be good at protecting the enthusiasm of grass-roots units and the masses in reform and opening up, and respect the spirit of initiative of the masses.

To fulfill all development goals set for this year, it is vitally important to earnestly improve our work style and bring about real improvement to our work in a down-to-earth manner. We will continue to conduct and perfect all good practices carried out last year, namely "the year of implementation"; and turn them into a common practice and common system with a view to achieving more practical results in our work. To accomplish all major tasks in this year's reform and construction, the provincial government has worked out a concrete work schedule, and the governor and vice governors are to take charge of and be personally responsible for work in different fields. All localities and relevant departments are required to work in close coordination, assign leading cadres to take personal charge of specific tasks with feasible measures, check out their work results at the end of every year, and not stop until our goal is reached. We will reward those who have successfully accomplished their tasks, and punish those who fail. Facing all these arduous tasks, complicated situations, and numerous difficulties in this year's reform and construction, leaders must go down and carry out their work at the grass-roots in order to make a success of it. Leaders at all levels should take the lead to improve their work style, extricate themselves from numerous meetings and piles of documents, reduce unnecessary social entertainment, concentrate their attention on handling major issues and solving practical problems, take the initiative to go down and carry out official business in grass-roots units and among the masses, energetically encourage the practice of conducting investigations and studies, watch out for and promptly discover symptoms of unhealthy tendencies, make policy decisions in a decisive manner, and gain the initiative over the whole situation.

It is necessary to change the functions of the government in line with the institutional reform, simplify procedures for handling affairs, and enhance work efficiency. It is

imperative to further straighten out administrative discipline and improve the work style of the government, put an absolute end to violations of previously issued orders and bans, and ensure the smooth implementation of government decrees.

A deepened reform and opening up needs greater efforts to combat corruption and advocate clean administration. The provincial party committee has named this year "the year of building clean administration," in which new clean and honest practices are expected to be introduced. All government workers, especially cadres at the county (department) level and above, should be clean and well-disciplined, and act strictly in accordance with all stipulations on maintaining clean government. We should strengthen auditing work, give play to supervisory functions, continue to investigate and crack serious cases, and make public a number of typical cases so as to show our people the determination of the party and the government and gain their confidence. Continued efforts will be made to absolutely put an end to unhealthy trends, such as arbitrarily raising funds and collecting fees, traveling overseas at the expense of the state, and purchasing luxury limousines and building luxury houses against relevant regulations. Organs directly affiliated to the provincial authorities should play an exemplary role in the campaign of combating corruption and advocating clean administration. Principal provincial leaders and cadres in charge of organs directly under the provincial authorities should take the lead in accomplishing whatever they demand that their subordinates accomplish. The anticorruption campaign is a long-term struggle, and leading cadres at all levels must have the courage to take personal charge of this struggle, pay consistent attention to it, and carry out the struggle in a down-to-earth manner. We are determined to achieve real results and make substantive headway in this struggle this year.

Fellow Deputies,

Now is an excellent time for our province to catch up with and surpass the country's average development level. Our national economy has joined the "express line" of development, and we are faced with many major opportunities to expedite economic development. The constant deepening of reform and opening up, in particular, will surely inject greater vigor and life into future economic development. It is totally possible, as well as justified, that we should and can attain major breakthroughs in development, and we are fully confident of realizing this goal. Under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and under the leadership of the provincial party committee, let us closely rally around the party Central Committee with Comrade Jiang Zemin as the core, emancipate our minds, work with one heart and one mind, forge ahead to open up new paths, carry out our work in real earnest, and strive to achieve this year's grand goal of "overfulfilling the plan, catching up with other parts of the country, mounting a new step, and attaining new breakthroughs in all industries and trades"!

Hunan Uses Foreign Funds To Promote Agriculture

OW0605061094 Beijing XINHUA in English 0131
GMT 6 May 94

[Text] Changsha, May 6 (XINHUA)—Hunan Province in central China has recently signed an agreement with the World Bank on using 25 million U.S. dollars to transform red-soil land in the province.

As one of the key agricultural provinces, Hunan Province now stressed application of foreign funds in agricultural projects, including planting trees, popularizing agricultural techniques, training farmers and processing agricultural goods.

Lingling Prefecture, one of the major citrus production areas in Hunan, has made use of Australian loans to undertake a citrus cultivation program which covers 200 hectares.

It also used a foreign loan of 5.4 million U.S. dollars to undertake a milk production project completed in 1992.

Changsha city, capital of Hunan Province, used a German Government loan of 5 million yuan to set up a vocational training center for agriculture, aiming to offer medium and high-level courses in agricultural technology.

In the Wuling Mountain area located in the western part of Hunan Province, an infrastructural facility project in mountainous areas is now under construction with loans from the UN Food Program.

Southwest Region

Guizhou Party Chief Addresses Reform Meeting

HK0505070294 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 30 Apr 94

[Text] The Guizhou Provincial CPC Committee held a Standing Committee meeting yesterday morning to listen to a report on the implementation of the comprehensive plan for the opening up to the outside world of the Qiongzhusan Miao and Dong Nationalities Autonomous Prefecture. Standing Committee members of the provincial party committee, such as [provincial party Secretary] Liu Fangren, Wang Siqi, (Wang Guanxian), Yuan Ronggui, (Li Wanru), (Wang Shouqi), Xia Guohua, (Huang Yao), and (Hu Jiansheng) attended the meeting. Attending the meeting as nonvoting delegates were Long Zhiyi, chairman of the provincial committee of the Chinese People's Political Consultative Conference, Yu Zhonggui, political commissar of the provincial military command, Vice Governors (Gong Xianrong) and (Mo Shiren), and persons in charge of the provincial planning commission, the provincial nationalities affairs commission, the provincial science and technology commission, the provincial commission for restructuring the economy, and other departments for overall management.

In January, approved by the State Nationalities Affairs Commission and the State Commission for Restructuring Economy, the Qiongzhusan Miao and Dong Nationalities Autonomous Prefecture was slated as the nation's first national autonomous region experimental zone for reform and opening up to the outside world to probe the path of accelerating national autonomous region reform, opening up to the outside world, and economic development, and of being the first to establish a socialist market economic structure.

Prefectural Chief (Yao Maosen) briefed the meeting on the guiding ideology, line of thinking, goal, steps, and substance of the construction of the experimental zone for reform and opening up, on the short-term breakthroughs and long-term reform and development of zone's construction, and on the organization of plan for implementation centering on state policy. After the report, Wang Siqi, (Wang Guanxian), Long Zhiyi, and persons in charge of the provincial planning commission, the provincial education commission, the provincial department of communications, and the provincial department of forestry offered many good opinions and suggestions for the zone's plan of implementation. They expressed willingness to actively support the Qiongzhusan Autonomous Prefecture in running the experimental zone well. The meeting adopted the experimental zone's plan of implementation.

Liu Fangren, secretary of the provincial party committee, said: The national autonomous region's experimental zone for reform and opening up of the Qiongzhusan Autonomous Prefecture was the outcome of everybody's hard work. Departments concerned should give energetic support to the zone and make concerted efforts to run it well. The zone's plan of implementation is feasible as I see it. However, its specific measures should be further improved. He urged the prefecture to seize this opportunity, universally mobilize the broad masses of cadres and people, further emancipate the mind, pluck up confidence, rely on its own efforts, do solid work, and accelerate its own development.

Guizhou Secretary Seeks Help for Poverty-Stricken

HK0505121594 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 27 Apr 94

[Excerpts] At the provincial meeting on help-the-poor work and development, which was held yesterday [27 April], Liu Fangren, secretary of the provincial party committee, urged all sides concerned at various levels to emancipate their minds, seize opportunities, and make concerted herculean efforts to do a good job in work to help the poor.

In his speech, Li Fangren expounded in detail on the objective and significance of the province's work to help the poor and carry out development, approaching the subject through many methods and angles. He set clear and definite demands, remarking: Marked results have been achieved in our province's work to help the poor

and carry out development, but compared with other parts of the country, our task remains a very arduous one of steadily solving the problem of sufficient food and clothing and of achieving a well-to-do standard of living. In terms of the overall situation, the country's rural economy at present has developed to the stage of moving from having sufficient food and clothing to striving for a well-to-do standard of living. Many areas in our province are still very poor, so the task of helping the poor remains very arduous. Therefore we must make great efforts to carry out our duties so as to enable all members of society to do a good job in work to help the poor. In accordance with the requirements of the state's program to help the poor, which requires that the problem of sufficient food and clothing for 80 million people be solved within seven years, and in light of the realities in our province, the overall goal of the work to help the poor, beginning in 1994 and continuing to the year 2000, is to help 10 million people basically shake off absolute poverty. Focusing on this goal, the basic line of thinking in the work to help the poor and carry out development, both at present and for a continuing period of time, is to uphold as the guide Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, to emancipate our minds, to seek truth from facts, to deepen reform, to explore new paths in the work to help the poor and carry out development, to develop the spirit of self-reliance and hard work, to adhere to the development-oriented principle guiding work to help the poor, and to accelerate the pace of economic development and the construction of infrastructures. We should strive to improve the efficiency of the work to help the poor and carry out development by orienting our efforts toward market needs, exploiting natural resources, and relying on scientific and technological advances. Energetically developing the productive forces, continuously increasing poor peasants' household incomes, steadily solving the problem of sufficient food and clothing, and eliminating absolute poverty should be taken as the basic starting points and goals of the work to help the poor.

Liu Fangren said: By carrying out the development-oriented work to help the poor, we mean encouraging the broad masses of cadres and people in poverty-stricken areas to maintain the spirit of self-reliance and hard work, exploit and utilize local natural resources, and develop the production of commodities with state support and by gearing themselves to market needs and relying on scientific and technological advances. [passage omitted]

Liu Fangren stated: To do a good job in the work to help the poor, we should foster the ideas of the market economy, development-oriented work to help the poor, comprehensive development, and efficiency. [passage omitted]

All units and departments, as well as trades and professions, must work out their own plans for work to help the poor and carry out development, based on the Help-the-Poor Program. [passage omitted]

Liu Fangren urged: Party committees and governments at all levels should genuinely put the work to help the poor and carry out development in a position of importance and place this work at the top of their agendas. All poverty-stricken counties should regard it as a central task to help the poor through development and solve the problem of sufficient food and clothing for the masses of people. Principal leaders of party committees and governments at all levels must take up the work personally, and must pursue not only a system under which the governor or magistrates of poverty-stricken counties is or are responsible for the work, but also a system under which party committee secretaries are responsible for the job. [passage omitted]

The meeting was presided over by Wang Siqu, deputy secretary of the provincial party committee. Vice Governor Yuan Ronggui, member of the provincial party committee's standing committee, conveyed the spirit of the national conference on work to help the poor and carry out development. The other party, government, and Army leaders attending the meeting were Long Zhiyi, Liang Mingde, (Wang Guangxun), Li Wanlu, Wang Shouting, Xia Guohua, (Huang Yao), (Hu Jiansheng), (Wang Anze), (Zhang Weiqing), (Meng Shusheng), and Deng Guoyong.

Guizhou Urges Investors To Seek Asset Accreditation

HK0505143594 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 27 Apr 94

[Text] In accordance with the method of managing the accreditation of foreign businessmen's investment assets, which was issued jointly by the State Commodity Inspection Bureau and the Ministry of Finance, foreign businessmen investing in our province should apply with the provincial commodity inspection bureau for asset accreditation certificates as of 1 May.

As our province opens wider to the outside world, the number of foreign businessmen investing in our province has increased. They have played a positive role in promoting our province's economic development. As far as their investment assets are concerned, however, as in other parts of the country, there are such problems as reporting low-priced goods as high-priced ones and substituting good-quality goods with substandard ones. According to an assessment of the assets of 82 foreign businesses which was conducted last year by the provincial commodity inspection bureau, of assets reported as being worth \$11.68 million, after inspection and verification, were found to be worth \$9.97 million, with the gap amounting to \$1.71 million. For various reasons, 90 percent of the current assets of foreign businessmen investing in our province have not been assessed and verified by any commodity inspection organ. There is no way to calculate the losses inflicted on the Chinese side.

To safeguard the legitimate rights and interests of investors and to establish a normal investment order, the State Commodity Inspection Bureau and the Ministry of

Finance promulgated the method of managing the accreditation of foreign businessmen's investment assets. To implement the method effectively, the provincial commodity inspection bureau set up an accreditation office at the beginning of this year and provided it with professionals so as to make it easier for the office to carry out its work.

Guizhou Builds Optical Fiber Cables

OW0605061194 Beijing XINHUA in English 0125
GMT 6 May 94

[Text] Guiyang, May 6 (XINHUA)—The Guiyang-Xingyi optic fiber cable in southwest China's Guizhou Province will be put into use later this month.

The 413-kilometer optic fiber cable runs from Guiyang city, capital of Guizhou Province, to Xingyi city in the western part of the province, through the noted scenic area of Huangguoshu waterfall and the Liupanshui coal production base.

Jointly funded by the Ministry of Posts and Telecommunications, the optic fiber cable project cost 40 million yuan. The cable will provide 12,600 long-distance telephone lines for the landlocked Guizhou Province.

Wang Zongli, director of the Guizhou Provincial Bureau of Posts and Telecommunications, said that the optic fiber cable will be linked to the Fuzhou-Guiyang-Chengdu and Nanning-Kunming lines.

The Fuzhou-Guiyang-Chengdu optic fiber cable now under construction is 4,354 kilometers long and stretches through six provinces.

The section of the cable in Guizhou is about 1,000 kilometers in length and will provide Guizhou with 36,000 telephone lines when it goes into operation.

The Nanning-Kunming optic fiber cable, which is 987 kilometers, runs from Nanning city, capital of the Guangxi Zhuang Autonomous Region, to Kunming city, capital of Yunnan Province.

The section of the cable in Guizhou Province is about 247 kilometers long and will provide Guizhou with more than 3,000 lines.

Wang said that after the three optic fiber cables go into operation, the long-distance telephone lines in Guizhou and in China will be greatly improved.

Yunnan Secretary at Meeting on Reform, Development

HK0505143694 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 28 Apr 94

[Text] At the Lianyun Guesthouse in Kunming yesterday afternoon and this morning, the Yunnan Provincial CPC Committee held a meeting of the CPC Committee secretaries of prefectures, autonomous prefectures, cities, and counties to discuss how to deepen reform and

accelerate economic development. Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, chaired the meeting. To deepen reform and develop the economy, he stressed, are our central tasks at present. All our work should focus on and serve this work.

After listening to experience-exchange speeches by Li Zhenghuang, secretary of the Yiliang County CPC Committee, on gearing the use of barren hills to the market and on the compensated transfer of land use rights; Zhu Peifu, secretary of Yuxi City CPC Committee, on implementing the share-holding system in town and township enterprises; Liu Yiping, secretary of Luxi County CPC Committee, on making great efforts to develop the individual and private economy; and Hou Chengming, secretary of Chengjiang County CPC Committee, on small state-owned commercial enterprises run by local people; Pu Chaozhu made a comprehensive and systematic speech, mainly on what issues should be grasped in deepening reform at and below the county level. The focus of deepening reform below the county level, he stressed, is to accurately discover where lies the potential of the productive forces and where such potential can be released. It is necessary to concentrate efforts on three aspects of work. The first is to readjust the single-product economic structure and the ownership structure. The second is to change ways of production and operation in rural areas and to develop socialized large-scale production. The third is to change the management structure in rural areas and spread the experience of the three combination-one system.

Pu Chaozhu elaborated primarily on readjusting the single-product economic structure and the ownership structure. Major measures to be taken are: First, to turn small state-owned enterprises into private or collective enterprises through auctioning, leasing, or other ways, and to invigorate small enterprises; second, to energetically develop individual economy and private enterprises; third, to carry out the auction or compensated transfer to individuals or collectives the management and use rights of barren hills and land in a bid to develop and make use of barren hills; fourth, to energetically spread the share-holding cooperation system and go all-out to develop town and township enterprises.

Pu Chaozhu urged various localities to further emancipate their minds; update concepts; adhere to the principle of putting practice first; take part in practice; in light of local realities to seriously use as reference the good experiences of Yiliang, Yuxi, Luxi, Chengjiang, and other localities; accelerate the pace of reform; and promote comprehensive economic development.

Zhao Shumin, member of the Standing Committee of the Yunnan Provincial CPC Committee; Bao Yongkang, vice chairman of the Standing Committee of the Yunnan Provincial People's Congress; and Vice Governor Yang Jianqiang also spoke at the meeting.

Liang Jinquan, deputy secretary of the Yunnan Provincial CPC Committee, and Zhang Baosan, Meng Jiyao,

and Wang Tianxi, members of the Standing Committee of the Yunnan Provincial CPC Committee, also attended.

Yunnan Governor Writes to Propaganda Work Meeting

HK0505114494 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 28 Apr 94

[Text] Governor He Zhiqiang, who is now studying at the Central Party School, sent a written address entitled "Opening Up, Forge Ahead, and Score New Brilliant Achievements" to the Provincial Propaganda and Ideological Work Meeting. In this speech, He Zhiqiang recalled the remarkable achievements scored on all fronts in reform and opening up in our province over the past 15 years. He emphasized that to achieve the strategic second-step goal under the new situation, we must pay great attention to the party's propaganda and ideological work; constantly raise the level of ethics and political consciousness of the masses of people of various nationalities; and form a powerful ideological propelling force and a spiritual force of unity among the people in the course of reform, opening up, and modernization. It is not only party committees that should grasp propaganda and ideological work, but governments as well. It is not only propaganda departments that should grasp propaganda and ideological work, but economic departments, as well. The leadership and the rank and file, and various trades and professions should make concerted efforts to carry out work in this regard. Only in this way will a new situation emerge in propaganda and ideological work. Propaganda and ideological work should focus closely on the main theme of reform, development, and stability; take economic construction as the center; and uphold unity, stability, and promotion. It is necessary to more widely publicize the study of the theory of building socialism with Chinese characteristics; by publicizing theories on the socialist market economy, to enable the cadres and the people to establish a sense of the socialist market economy and concentrate their attention on the four modernizations so that the economy will grow further; and to lay a foundation for social progress and social stability.

Propaganda and ideological work should regard as its objective the training of four have's new people, should uphold the standard of three beneficial's, should have clearer targets, and should encourage and carry forward the pioneering spirit. Through propaganda and education, propaganda and ideological work should integrate new concepts that are in line with the market economy with traditional fine values of the Chinese nation, and should develop the spirit of hard work and selfless dedication so that the dynamic role of the pioneering spirit in the new period can be brought into full play in the practice of reform and construction.

Propaganda and ideological work should energetically explore new ways and new methods; improve operational mechanisms; develop various carriers; and make

use of modern transmitting devices so that propaganda and ideological work can change from something invisible into something visible, thus increasing its impact and effectiveness. It should fully arouse the enthusiasm of cadres, workers, and staff members concerning the promotion of progress and the development of various trades, professions, and undertakings, Governor He Zhiqiang said in conclusion.

North Region

Li Peng Inspects Work in Inner Mongolia

OW0505123894 Beijing XINHUA Domestic Service in Chinese 0904 GMT 4 May 94

[By reporters Sun Benyao (1327 2609 1031) and Qian Yonghong (6929 0737 5725)]

[Text] Hohhot, 4 May (XINHUA)—When State Council Premier Li Peng inspected work in Inner Mongolia, he stressed that it is necessary to conscientiously implement the central authorities' policy on seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability; to attach importance to integrating the growth rate with efficiency; and to promote reform, opening up, and economic construction more successfully.

After satisfactorily concluding his visit to four countries in Central Asia and Mongolia, Premier Li Peng conducted a work inspection of the Inner Mongolian Autonomous Region from 30 April to 3 May. Accompanied by Wang Qun, autonomous regional party committee secretary, and Wuliji, autonomous regional people's government chairman, Premier Li Peng zestfully inspected factories, enterprises, microwave communications equipment, and a large power plant under construction in the vicinity of a coal pit; visited the mausoleum of Chengjisihan [Genghis Khan] despite rains; and called on herdsmen at their homes.

Li Peng inspected the Qingsong Garment Co., Ltd. He was very pleased when he learned that the Western-style clothing produced by the company had won a leading place in a contest between China's top 10 famous brands of Western-style clothing held in April 1994 and that it had been exported in large quantities. He said: "The fact that the Qingsong Garment Co., Ltd. can produce such good Western-style clothing shows that remote, border areas, like those in the hinterland, are capable of turning out first-rate products as long as they gear their production to the needs of the market at home and abroad and as long as they adopt advanced technology and management."

Li Peng also inspected the Hohhot Machine Tool Accessories Plant. It is an old state-owned enterprise and is currently China's largest chuck-producing plant and largest chuck research and development center. The annual output of the Huanqiu- [universal] brand chuck with three and four claws and various power-driven

chucks in the high- and medium-price ranges accounts for 60 percent of the total chuck output in China; their products are sold to over 40 countries and regions of the world and have won several awards at home and abroad. After inspecting the plant's workshop, Li Peng said: "Why can the plant always maintain very good economic efficiency? The key lies in a good mechanism, specialized mass production, strict management, paying attention to quality, and establishing a business reputation on the market at home and abroad. It shows we also can successfully run the large and medium old enterprises owned by the state." He expressed the hope that the Inner Mongolian Autonomous Region can successfully sum up the experiences gained by the plant.

At a television conference room of the Inner Mongolia Radio and Television Station, Premier Li Peng had a teleconference meeting with leading comrades of 12 leagues and cities and listened to the work reports made by some leagues and cities. Li Peng affirmed the tremendous progress made by the Inner Mongolian Autonomous Region in all fields of endeavor and conveyed his warm regards to the broad masses of servicemen and people who had recently put out a forest fire. He praised the teleconference, saying: Holding a teleconference not only saves time and money but also improves work efficiency. It marks a big step toward the modernization of office work.

On the morning of 3 May, Li Peng listened to work reports by leading comrades of the autonomous regional party committee and government. First of all, he affirmed the important successes attained by the people of all nationalities in the Inner Mongolian Autonomous Region in promoting reform, opening up, and economic construction under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Li Peng said: I have visited Inner Mongolia six times and have witnessed the tremendous changes taking place in the region since the Third Plenary Session of the 11th CPC Central Committee. Inner Mongolia faced grain shortage in the past; now it is more than self-sufficient in its grain supply. This represents a remarkable success. Its animal husbandry has also enjoyed very great development. The Baotou Steel and Iron Corporation steel works has increased its annual output of steel from 1 million-plus tonnes in 1989 to 3 million tonnes now. Taking advantage of its abundant coal resources to build large power plants in the vicinity of coal pits, Inner Mongolia not only solved the problem of an electricity shortage but also supplied greater amounts of electricity to the power grid for Beijing, Tianjin, and Tanggu. He pointed out: Changing coal deliveries to electricity transmission is a strategic shift in Inner Mongolia's economy. Li Peng said he was very pleased to see that Inner Mongolia is enjoying political stability, unity between nationalities, and economic development, and that these have improved the people's living standards.

Touching on Inner Mongolia's economic work, Li Peng stressed that it is necessary to further do a good job of promoting agricultural and animal husbandry production. As China's population grows, its demand for grain will further increase. First, we must transform medium- and low-yield farmland to increase the per mu yield; and, second, we must expand the area of cultivated land in areas where conditions permit. Inner Mongolia has potential in this field. It is hoped that Inner Mongolia will become a base for the commercial production of agriculture and animal husbandry. Because Inner Mongolia boasts a relatively large proportion of state-owned heavy industries, his speech required that vigorous efforts be made to successfully run the large and medium enterprises owned by the state, to conscientiously analyze their situations, and to find concrete solutions to their existing problems. We must be confident that we are capable of managing well medium and large state-owned enterprises. In fact, many medium and large state-owned enterprises in Inner Mongolia are functioning quite well, and we need to summarize and popularize these enterprises' experiences. However, for various reasons, quite a few enterprises in Inner Mongolia are encountering difficulties in their operations. The autonomous regional government is responsible for helping them. Enterprises must depend on themselves as well and make efforts to transform their operating mechanisms to gradually extricate themselves from their predicaments. Inner Mongolia is blessed with rich natural resources. As Inner Mongolia's economy develops, its strong point in natural resources is playing a more and more important role in economic development. Under the leadership of the CPC Central Committee, with Comrade Jiang Zemin as the core and with the concerted efforts of ethnic cadres and masses, there is a great hope that Inner Mongolia will vigorously develop its economy.

Li Peng stressed: People of various nationalities in Inner Mongolia are united. China is a multinational country, and unity between all nationalities is a very important prerequisite for our efforts in all fields. I hope that the Inner Mongolian Autonomous Region will further cultivate the favorable state of unity between nationalities to make all peoples prosperous.

In accompanying Premier Li Peng in inspecting Inner Mongolia, Ismail Amat, state councillor and minister in charge of the State Nationalities Affairs Commission, said after hearing the work reports: People of all nationalities in China are equal and united. They cooperate with one another and make progress together. In view of the protracted and complicated nature of ethnic problems, we must always attach great importance to maintaining unity between all nationalities to create favorable social environment for China's reform, opening up, and economic construction. He added emphatically: To

strengthen national unity, we must fully depend on cadres and masses of all nationalities. People of all nationalities must consider safeguarding the reunification of the motherland and national unity as citizens' legal and moral duty. We must promptly and efficiently resolve inner contradictions between people of all nationalities according to the law. Cadres of all nationalities at various levels must take the lead in safeguarding the reunification of the motherland and unity between all nationalities. We must vigorously develop the economy

and social undertakings in regions inhabited by minority peoples to continuously strengthen the economic foundation for unity of all nationalities.

While inspecting Inner Mongolia, Premier Li Peng was also accompanied by Ye Qing, Han Shubin, Yao Zhenyan, Wang Mengkui, and Jiang Yunbao, who are responsible persons from relevant departments of the State Council.

Further on President's Visit to Nicaragua

Vows Continued Aid

OW0505160094 Taipei CNA in English 1350 GMT
5 May 94

[By Edward Chen and Benjamin Yeh]

[Text] Managua, May 4 (CNA)—Republic of China [ROC] President Li Teng-hui said here Wednesday [4 May] that his country will continue helping Nicaragua in its push for economic development.

Li made the pledge when meeting his Nicaraguan counterpart, Violeta Barrios de Chamorro, shortly after Li's arrival in Nicaragua Wednesday afternoon for a two-day official visit.

Chamorro expressed her heartfelt thanks to Li for Taiwan's assistance in Nicaragua's economic reconstruction. In return, Li thanked Chamorro for Nicaraguan support of the ROC's bid to gain a seat in the United Nations.

Nicaragua is one of Taiwan's seven Latin American allies that together submitted a letter to UN Secretary-General Butrus Butrus-Ghali, asking the United Nations to put the ROC's UN bid on the agenda for the 48th General Assembly last September. The request was voted down.

Li and Chamorro also exchanged a wide range of views on issues of mutual concern. Raymond Tai, spokesman for the Presidential Office, said the meeting was held in a "friendly atmosphere."

Li stressed in a welcoming reception held in his honor later in the day that the ROC is willing to share its successful "Taiwan experience" with Nicaragua.

The first ROC-Nicaraguan ministerial meeting was also held Wednesday, during which Nicaraguan Foreign Minister Ernesto Leal Sanchez vowed to continue to support the ROC politically, saying there is no reason to continue keeping Taiwan and the 21 million people in Taiwan out of the UN.

Attending the meeting on Taiwan's side were Foreign Affairs Minister Chien Fu, Central Bank of China Governor Samuel C. Shieh, council for economic planning and development chairman Hsiao Wan-chang, Executive Yuan adviser Jeffrey Koo, and Tai, who is also vice presidential secretary-general.

The second ministerial meeting will be held Thursday, during which an extradition treaty, bilateral economic cooperation and Taiwan investment in Nicaragua will be discussed.

A joint communique will be issued on Thursday before Li leaves Managua for Costa Rica, where he will attend the inaugural ceremony for Costa Rican President-Elect Jose Maria Figueres on Sunday.

Talks Held on Bank Administration

OW0605084294 Taipei CNA in English 0718 GMT
6 May 94

[By Edward Chen]

[Text] Managua, May 5 (CNA)—Jose Evenor Taboada, governor of the Nicaraguan Central Bank said Thursday [5 May] that the Taiwan experience serves as a strong model for Nicaragua to follow. Evenor made the comment after meeting with Central Bank of China Governor Samuel Shieh.

During the meeting, Shieh briefed Evenor and other Nicaraguan officials on Taiwan's economic development over the past four decades.

Shieh said Taiwan has developed from an agricultural economy with a per capita income of US\$100 to a high-tech, export oriented economy with per capita income topping US\$10,000. He added that Taiwan performed its "economic miracle" by concentrating on the development of labor-intensive light industry, and switching to technology-intensive industries once a strong industrial base had been built.

Shieh advised Evenor to take economic development slowly and stressed the importance of education in making the transition from an agricultural to industrial economy.

Presidents Sign Communique

OW0605082894 Taipei CNA in English 0741 GMT
6 May 94

[By Sofia Wu and Edward Chen]

[Text] Managua, Nicaragua, May 5 (CNA)—Republic of China [ROC] President Li Teng-hui and Nicaraguan President Violeta Barrios de Chamorro signed a joint communique here Thursday [5 May] reaffirming their determination to promote bilateral cooperation.

Chamorro said in the communique that President Li's visit has ushered in a new era in relations between the Republic of China and Nicaragua. Li is the first ROC president to visit Nicaragua and Latin America.

Chamorro said she appreciates the assistance the ROC has given to her country over the past years. "We hope the ROC will continue encouraging its businessmen to invest in Nicaragua to help boost our economic development," Chamorro said.

She also pledged continued Nicaraguan support for the ROC's bid to join the United Nations. "The 21 million residents of Taiwan are entitled to be represented in the world body," Chamorro said. Moreover, she added, Taiwan's economic strength should not be ignored.

President Li lauded Chamorro for her outstanding achievements in leading Nicaragua towards a stable, reliable environment for economic development.

Li also thanked Chamorro for her firm support for the ROC's UN bid. Chamorro twice spoke in the UN General Assembly in 1992 and 1993 to support Taiwan's entry to the world body.

Li said the ROC will continue collaborating with international financial organizations to provide financing for major Nicaraguan economic development projects. In 1993, the ROC and the Inter-American Development Bank offered a US\$30 million syndicated loan to assist Nicaragua's agricultural reforms.

Li said the ROC will encourage its state-run and privately-owned enterprises to invest in Nicaragua and help boost the development of small and medium-sized industries in the Central American country.

Earlier in the day, the Nicaraguan National Assembly conferred on Li the Order of Pedro Joaquin Chamorro with Grand Cross in recognition of his contributions in producing understanding and friendship between the two countries.

Luis Humberto Guzman, president of the Nicaraguan Assembly, said Li was the fourth recipient of the honor. President Chamorro was the first recipient of the order, which was named after her late husband. Spanish King Juan Carlos and former Venezuelan President Carlos Andres Perez also received the order.

Following the decoration ceremony, Li delivered a speech to the Nicaraguan congress. Li said he noticed that the people in Nicaragua are friendly and kind and live in a society full of vitality. He also lauded the Assembly for its role in promoting reforms and development in Nicaragua.

Li arrived in Managua Wednesday for a three-day state visit. Nicaragua is the first leg of Li's two-week four-country tour which will also take him to Costa Rica, South Africa and Swaziland. Li will leave here Friday for Costa Rica, where he will attend the inauguration of president-elect Jose Maria Figueres scheduled for Sunday.

Ministry Protests Japanese Minister's Remarks

OW0505135594 Taipei CNA in English 1329 GMT
5 May 94

[By Debbie Kuo]

[Text] Taipei, May 5 (CNA)—The remarks by a Japanese cabinet member that the "rape of Nanking" was a "fabrication" and that Japan was not an aggressor in World War II triggered indignation and protests across Taiwan Thursday [5 May].

The Ministry of Foreign Affairs, commenting on Japanese Justice Minister Shigeto Nagano's remarks made in an interview published in the MAINICHI SHIMBUN Wednesday, said the Republic of China [ROC] Government "feels sorry and is indignant" about the remarks.

"We strongly protest against what Nagano said about the massacre in Nanking, which is an apparent distortion of history and has abused the feelings of all Chinese," the ministry said in a statement.

In the quoted remarks, Nagano said Japan's aim during the war was to free Asian nations from European colonialism. "It is wrong to say the war was a war of aggression," he was quoted as saying. "We thought seriously about the liberation of colonies, to liberate a Greater East Asia Co-Prosperity Sphere."

Li Shou-kong, a retired professor in contemporary history at National Taiwan University, said the 1937 Nanjing massacre, in which at least 300,000 residents in the southern Chinese city were slaughtered, was a fact that could not be denied or whitewashed. "The only part of the tragedy that remains open to speculation is the number of the residents actually killed," Li added.

"As a matter of fact, the Japanese militarists killed and sexually abused the innocent victims in China not only in Nanking but widely and predatorily in many parts of the country," he said.

Japan whipped up a wave of anger in Taiwan, Mainland China, Korea, Hong Kong and Southeast Asia some 10 years ago by whitewashing in student textbooks its aggression in World War II. After that incident, the Japanese Education Ministry sent two officials to Taiwan to make apologies, Li said.

Meanwhile, Kuomintang [KMT] legislators, at an emergency interpellation session, demanded that Japan make public once again the truths surrounding the massacre in Nanking and Japan's behavior in Mainland China and other parts of Asia during the war. They also demanded an explanation for Nagano's remarks.

KMT legislator Wei Young called for close attention to be paid to the positions of new-generation Japanese politicians and their attempts at historical revisionism. He claimed that Nagano's statement on the issue was not an isolated incident.

Wei refuted Nagano's remarks about Japan's intention to liberate a Greater East Asia Co-Prosperity Sphere as "absolutely unjustifiable."

He said Taiwan should demand across-the-board war reparations from Japan.

Industries' 'Mass Relocation' to Mainland Noted

OW0605085194 Taipei CNA in English 0715 GMT
6 May 94

[By Danielle Yang]

[Text] Taipei, May 6 (CNA)—The rubber and plastics industry tops the list of Taiwan industries which have relocated to Mainland China, followed by the electrical and electronic equipment industry, according to Ministry of Economic Affairs statistics.

The statistics showed that total rubber and plastics industry investment in Mainland China hit US\$613.73 million in March, accounting for 16 percent of the total value of all relocated industries.

The electrical and electronic equipment industry ranked second with US\$537 million, or 14 percent, and the food and beverage industry came in third with US\$421 million, or 11 percent, the statistics showed.

The metal industry came in fourth with 9 percent, and the chemical and textile industries tied for fifth with 6 percent each. The wood products industry had 4 percent,

the fashion and paper industries each recorded 3 percent and machine and leather goods each accounted for 2 percent of total investment, the statistics showed.

The industrial value of products produced in Mainland China by Taiwan manufacturers has posted an average 8-12 fold growth since 1993, that statistics showed. Taiwan industries began a mass relocation to the mainland in the same year.

Taiwan's labor-intensive industries began a relocation to Mainland China in 1987 due to rising labor and land costs here.

Hong Kong

Lu Ping Dismisses Human Rights Commission Concept

HK0605140694 Beijing ZHONGGUO XINWEN SHE
in Chinese 1145 GMT 6 May 94

[By correspondent Xia Yuhua (1115 0060 5478)]

[Text] Hong Kong, 6 May (ZHONGGUO XINWEN SHE)—The Foreign Affairs Select Committee of the British Parliament recommended in a report released last month, that a human rights commission be set up in Hong Kong. Lu Ping, vice chairman and secretary general of the Preliminary Work Committee and director of the State Council Hong Kong and Macao Affairs Office, pointed out here today that setting up a human rights commission clashes with the Basic Law.

In a discussion meeting with National People's Congress Hong Kong deputies and Chinese People's Political Consultative Conference Hong Kong members, Lu Ping said: This commission, as they see it, will not be a normal consultative body but a body of power. Yet it is neither an executive, or legislative, or a judiciary organ as laid down in the Basic Law. Setting up such a human rights commission obviously clashes with the Basic Law and will undermine the power structure established by the Basic Law.

Lu Ping believed that the people recommending such a human rights commission "had some other things in mind." As a power body, the human rights commission is bound to weaken and affect the powers of other bodies and destabilize Hong Kong society.

As regards the proposition that after 1997 the Chinese Government should report periodically to the UN Human Rights Commission on the human rights situation in Hong Kong, Lu Ping said: As China did not join either of the two international human rights conventions, it does not have any responsibility or obligation to report to the UN Human Rights Commission on human rights in Hong Kong.

Lu Ping said: Hong Kong is not a polity and does not have the authority to make reports to the UN Human Rights Commission. The Basic Law states very clearly: The parts in the two human rights conventions that have been applicable to Hong Kong in the past must, after 1997, be implemented through the local laws of Hong Kong. In other words, the two human rights conventions cannot be directly applied to Hong Kong. There was consensus on this point when the Basic Law was drafted.

Lu Ping said that Hong Kong people will enjoy extensive rights after 1997 and the Basic Law provides full legal safeguards in this respect.

During the discussion, Lu Ping characterized the Foreign Affairs Select Committee's report as "very good teaching material" because it bluntly admitted a fundamental

change in Britain's 1989 policy on the problem of Hong Kong from cooperating with to confronting the Chinese Government.

Sino-British Joint Liaison Group To Hold Talks

OW0305142094 Beijing XINHUA in English 1234
GMT 3 May 94

[Text] Hong Kong, May 3 (XINHUA)—The Sino-British Joint Liaison Group (JLG) will hold its 15th round of talks in Hong Kong from May 10 to 13, according to a JLG's press release received here today. During the four-day talks, experts from both sides of the group will discuss matters relating to Hong Kong's future defense and public order, said the release. The Chinese team will be led by Chinese representative Chen Zuoer while the British team will be headed by British representative Alan Paul. They will be assisted by experts from the two sides.

Governor Patten Responds to Lu Ping Remarks

HK0605135194 Hong Kong Television Broadcasts
Limited in English 1200 GMT 6 May 94

[From the "Main News" program]

[Text] Good evening. China's top official dealing with Hong Kong affairs has been offering reassuring words about the future to local businessmen. But Lu Ping also says that the territory is only a value to China if it doesn't become too political. That message has not gone down well in some quarters, as Linda Lee reports.

[Begin recording] [Lee] Addressing some 500 local businessmen over lunch today, Lu Ping stressed that the value of Hong Kong to China has been and will be economic.

[Lu Ping] Of course, there are always a handful who are so naive as to think that they can turn Hong Kong into a political city in order to influence the mainland in the sense of politics. If that were the case, Hong Kong would be of negative value instead of positive value to China.

[Patten] I don't think that you can treat Hong Kong as though it were just an economic laboratory. It is a living and thriving community with all sorts of social and political aspirations. [end recording]

[Lee] Governor Patten had made himself readily available to respond to any comment from Lu Ping by scheduling a visit to Tsing Yi this afternoon. He reminded the Chinese officials that they were party to a promise to give Hong Kong greater democracy.

[Patten] China itself has signed up in the Joint Declaration and in the Basic Law to a process of political development in Hong Kong, which recognizes the modest but growing aspirations of the people of the community.

[Lee] But Lu Ping pointed out that the principles of One Country, Two Systems and Hong Kong People Ruling Hong Kong were designed to meet the aspirations of the community. Lu assured his audience that the territory will enjoy a high degree of autonomy. [end recording]

XINHUA Official on Fostering 'Understanding' of PLA

HK0405053394 Hong Kong TA KUNG PAO in Chinese 2 May 94 p 2

["Special dispatch": "Zhang Junsheng Suggests Three Ways To Increase Hong Kong People's Understanding of PLA"]

[Text] Guangzhou, 1 May (TA KUNG PAO)—Zhang Junsheng, deputy director of XINHUA Hong Kong Branch, said here today that increasing mutual understanding between Hong Kong people in all walks of life and the People's Liberation Army (PLA) will be conducive to communication between PLA troops stationed in Hong Kong after 1997 and local residents.

Zhang joined a number of Hong Kong deputies to the National People's Congress (NPC) and other Hong Kong celebrities in visiting the troops of Guangzhou Military Region. When asked by reporters after the visit, Zhang expressed the following opinion.

Zhang Junsheng said: This visit to the Guangzhou Military Region was an activity enabling the residents of Hong Kong to know the PLA better. Today's military show was superb. This time, the leaders, officers, and soldiers of the Guangzhou unit very warmly and thoughtfully received the visiting NPC deputies and members of the Chinese People's Political Consultative Conference National Committee from Hong Kong, members of the Preparatory Working Committee, and Hong Kong affairs advisers.

A reporter asked: Will the press be able to cover this type of news in the future? Zhang Junsheng said: "We shall try by every possible means to enable Hong Kong people from all walks of life to come into contact with the PLA and understand the PLA, and this will include our friends in the mass media. However, it is not easy to arrange such visits."

Another reporter asked: Will visits to the PLA barracks help remove Hong Kong people's misgivings about the PLA? Zhang Junsheng said: "If Hong Kong people have misgivings, this is just a misunderstanding. The people's Army is a strong force for defending our country. Without the PLA, how could we be able to conduct national reconstruction in a peaceful environment, and how could we live peacefully?"

He stressed: If there is such a misunderstanding, then it is necessary to remove it by increasing understanding of the PLA. First, it is necessary to know about the fine traditions and history of the PLA. Second, there are many news reports about the PLA on the mainland.

Third, in the future, more Hong Kong people from various social circles, including journalists, will be organized to come into contact with the PLA. This will all be conducive to communication between PLA troops stationed in Hong Kong after 1997 and local residents.

Article Examines Post-1997 Role of PLA

HK0405063894 Hong Kong SOUTH CHINA MORNING POST in English 4 May 94 p 23

[By Willy Wo-lap Lam]

[Text] It is difficult to escape the conclusion that a major reason for the display of military prowess in Guangzhou last weekend was to strike fear into the hearts of "anti-Chinese elements" in Hong Kong. The demonstration of daredevil combat skills by the crack Red One Brigade before a select Hong Kong audience was a show of force by the sovereign power just a little shy of three years before takeover.

Xinhua and the pro-Beijing press claimed the parade would enable Hong Kong citizens to know more about the People's Liberation Army (PLA). As the propagandists put it: "It was the first time since nation building that Hong Kong compatriots took a close look at PLA troops in an organised and large-scale fashion."

Not highlighted was the fact that the exhibition was open to only 216 of the faithful: Beijing-appointed legislators and advisers as well as members of the "shadow Government". The press were barred, as were Hong Kong's elected legislators.

More important, however, is the fact that Hong Kong has prospered precisely because its residents have not needed to be anywhere near the PLA. At the height of the 1967 "disturbances", the Hong Kong Government kept a fleet of airplanes at Kai Tak on a 24-hour standby basis. An emergency airlift would take place the moment the PLA crossed the border.

Even for moderate cadres of the Chinese Communist Party (CCP), however, the stationing of the PLA in Hong Kong—not to mention holding periodic war games to scare "domestic and foreign hostile elements" in the territory—makes little sense. The Special Administrative Region (SAR) is exposed to no danger of foreign invasion.

The late premier Zhou Enlai and politburo member Liao Chengzhi who held the Hong Kong portfolio in the 60s and 70s—did not favour posting troops to Hong Kong. Messrs Zhou and Liao's idea about the change of sovereignty was as minimalist as it was liberal: Just change the governor and the flag.

Former defence minister Geng Biao and former foreign minister Huang Hua also opposed billeting soldiers here. After they told the press about it, however, the two were in 1983 given a public scolding by patriarch Deng Xiaoping for "mouthing nonsense".

Yet even Mr. Deng envisaged no more than a token PLA presence.

With the onset of the moral equivalent of war between Beijing and Governor Chris Patten and the "neo-imperialists", however, the 8,000 to 10,000 soldiers who will call Hong Kong home after July 1997 have much more than symbolic significance.

Top brass briefing the Hong Kong dignitaries last weekend reiterated that the troops would not interfere with SAR affairs. Xinhua Vice-Director Zhang Junsheng made much of the fact that since "the PLA are the people's army, the sons and brothers of the people, Hong Kong compatriots have nothing to fear".

Almost the same words were used to assure Beijing residents as the CCP's Central Military Commission (CMC) moved troops into the capital in May 1989. During last weekend's exercise, the 216 luminaries were so awestruck by the display of brawn and electronic wizardry they did nothing other than sing praises over "this civilised battalion, this glorious battalion."

Cooler heads, however, should ask themselves—and the PLA—the following questions.

First, on the issue of loyalty. The troops to be quartered here will be under the "absolute leadership" of the CCP and the CMC.

There have been no fully-fledged coups d'état in Communist-Chinese history. But during the Cultural Revolution and the "turmoil" in the spring of 1989, the PLA responded with alacrity to calls by the CMC to "restore order".

It is not very likely that the SAR—or a "destabilising" political force within the Region—will lock horns with the CCP administration.

Hong Kong, however, has been characterised by Chinese cadres as a "base of subversion". Should an ugly confrontation shape up, Beijing would no doubt ensure that, to use PLA lingo, "the guns of the soldiers (here) will be pointed in the right direction".

Then there is the degree of effectiveness with which the CMC can control troops in Guangdong and in the SAR in the post-Deng era.

It is a reflection of Beijing's concern for "warlordism" that, to quell the 1989 "rebellion", the CMC mobilised divisions to the capital from all the military regions. Likewise, the soldiers destined to "guard" Hong Kong will come from different parts of the nation.

Should CMC Chairman Jiang Zemin fail to hold together the army after Mr. Deng's demise, officers in the Guangzhou and the Hong Kong command might not heed the centre's instructions about what not to do to the SAR.

Because Hong Kong is such a fat piece of meat, ferocious argument has also broken out within the top brass over which PLA unit and faction should have the choicest parts of the spoils.

It is understood that the CMC had to invoke Mr. Deng's authority to shoot down a proposal by the navy that it erect major installations in the SAR. The leadership was worried that the business viability of the SAR would be hurt if a chunk of it became a naval base.

The power struggle within the CCP and the CMC, however, is a never-ending game. The PLA faction that comes out on top two years after Mr. Deng's death may have a radically different idea not only on troop deployment here, but on other aspects in which Hong Kong can serve the motherland's Great Wall of Steel.

The Basic Law notwithstanding, the SAR will not be able to say "no" to the propositions of the single most powerful institution in China.

Then there is the question of the PLA's mushrooming business empire. Hong Kong has resigned itself to the fact that the PLA will reap billions of dollars from developing the huge plots of land which will be turned over to them by the departing British garrison.

Much more disturbing is the phenomenon of PLA companies using their unbeatable clout to muscle into—and corner parts of—the Hong Kong market.

Quite a number of generals tipped for the Hong Kong Command, including the Head of the Political Department of the Guangzhou Military Region, Lei Mingqiu, are accomplished military entrepreneurs.

On the mainland, PLA companies wheel and deal outside the law because, in most instances, they are outside the purview of civilian departments in areas such as customs, auditing, taxation and anticorruption.

There is no suggestion that army businesses operating in Hong Kong after 1997 will make a point of breaking SAR laws. Yet given the feverish anxiety with which political and business circles in Hong Kong are currying favour with power sects from up north, it would be that much easier for errant PLA executives to get away with shady transactions.

Hong Kong NPC Deputies Watch PLA Drill in Guangdong

HK0505134294 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 2 May 94

[Text] Yesterday morning, nearly 300 Hong Kong-based National People's Congress [NPC] deputies, Chinese People's Political Consultative Conference National Committee members, Hong Kong Special Administrative Region Preliminary Work Committee members, and Hong Kong affairs advisers, as well as some other patriotic figures—including Henry Fok Ying-tung, Lu Ping, Zhou Nan, Li Chushan, and Yang Yanying—

arrived at a certain barracks of the Guangzhou Military Region [GMR], where they watched a drill staged by the GMR Reconnaissance Unit. They were accompanied by GMR Political Commissar Shi Yuxiao, and some other officers.

The Hong Kong compatriots warmly applauded the officers and soldiers, who staged excellent performances for them. They praised the People's Liberation Army [PLA] as a strong and civilized army that is politically qualified and militarily competent, as an army with a fine style and a strong sense of discipline, and as an army with effective logistical support. They praised the officers and soldiers, who staged excellent performances for them, as officers and soldiers of iron and steel. The Hong Kong compatriots said: After seeing the PLA, we now can set our minds at rest.

When the military drill was over, Mr Henry Fok Ying-tung, on behalf of the nearly 300 compatriots who had watched the military drill, presented a souvenir to the reconnaissance unit. Mr Henry Fok Ying-tung also wrote the following inscription for the reconnaissance unit: "Soldiers of Iron and Steel."

Paper Urges Greater Progress on Transition Issues

HK0505055694 Hong Kong EASTERN EXPRESS in English 5 May 94 p 18

[Editorial: "Lu's Visit Need Not Be a Waste"]

[Text] Let's face it, the visit to Hong Kong by Lu Ping, director of China's Hong Kong and Macao Affairs Office, has been a public relations disaster. We can all live with public relations disasters, but it is more difficult to live with the underlying cause of the problem.

There are no prizes for identifying the source of this problem. It lies in the paralysis of leadership which afflicts China as the leaders of the Communist Party mount their morbid deathbed watch over paramount leader Deng Xiaoping.

In these circumstances no one aspiring to high office in China dares put a toe out of place. They are all waiting and watching to see what will happen in the post-Deng era. Not surprisingly, Lu Ping is also affected by this climate of uncertainty and probably believes that a low profile is the only profile worth adopting.

Chinese bureaucrats are rarely punished for doing nothing, but any positive action carries the risk of retribution. Were Lu to take the relatively bold step of publicly restoring relations with Governor Chris Patten, he may well expose himself to all manner of criticism. Far safer is the option of never venturing beyond the walls of Chinese-owned premises and never meeting anyone likely to say anything critical about Chinese government policy.

We have a sneaking suspicion this must be extremely frustrating for an intelligent man like Lu Ping, who is well aware of the limitations of his current position but is seemingly incapable of doing anything about it. It is too much to expect Lu to suddenly perform an about-face and trot along to Government House for tea, biscuits and a chat with the Governor. Even less likely is the prospect of a quick yum cha [tea and dim sum] with Martin Lee and his fellow democrats.

Yet there is an opportunity to snatch victory from the jaws of defeat. Lu can use his presence in Hong Kong to work behind the scenes and give a much-needed kick up the backside to the many matters stuck in the logjam of stalled Sino-British negotiations.

Where to start? There is so much to be done. Maybe it would be best to focus on the obvious. Shrieking out loud is the need for an agreement on financing for the new airport. This could literally be settled in a day of talks, given goodwill on both sides and bearing in mind the issue has been so comprehensively discussed. Neither side has an excuse for holding out for more information.

Then there is the equally pressing matter of the ninth container terminal which appears to have retreated entirely from the public view.

Also on the wish list of things which need to be done urgently are arrangements for the future of the civil service. There is nothing so demoralising as uncertainty. So, if the Special Administrative Region wishes to inherit a demoralised civil service, they are doing everything in their power to guarantee such an eventuality.

Uncertainty also hangs heavily over the future of the legal system, given the lack of agreement on the formation of the Court of Final Appeal. Everyone says Hong Kong's legal system underpins the stability of our society. This, then, is clearly a matter of some importance and should not be allowed to fester.

Aside from specific things which need to be done, the very least Lu can do is ensure the orderly resumption of regular meetings between representatives of the Chinese and British governments. The brutal fact of the matter is that for the past five years these meetings have been erratic and largely unproductive.

In the unlikely event that Lu could secure progress on all these fronts, he would be doing no more than ensuring the progress of business as usual. In other words, these are modest aspirations, delivered in circumstances where even modest expectations remain unfulfilled.

Patten, for his part, has something important to contribute to the process of removing the logjam. He should immediately lift the ban on civil servants having dealings with China's Preliminary Working Committee. This may well be emerging as a pale imitation of a shadow government and may also be designed to undermine the authority of the current administration, but it is a reality in Hong Kong's emerging power structure. No harm can

be done by recognising this and providing its members with full access to the civil service. Once the ban is removed China will be deprived of yet another excuse for not re-establishing normal relations with the Hong Kong government.

Waiting two years before returning to Hong Kong, Lu Ping has only himself to blame for creating exaggerated expectations of what his visit can achieve. Were he to be a regular visitor to the territory, his presence would cause less of a stir. It would be so easy to throw away every opportunity to make progress on the arrangements for Hong Kong's transfer to Chinese sovereignty. It would come as more than just a pleasant surprise if the temptation to throw away yet another opportunity was resisted.

Deng Xiaoping's Brother To Visit Territory 8 May

HK0405064294 Hong Kong *EASTERN EXPRESS* in English 4 May 94 p 1

[By Chip Tsao, political editor]

[Text] Deng Xiaoping may not live to fulfil his wish to visit Hong Kong after 1997, but his younger brother, Deng Ken, 86, will have a glimpse of the territory well before the handover of sovereignty. Deng Ken will visit Hong Kong on Sunday for five days at the invitation of Lo Yuk-sui, the chairman of the Paliburg Group. Deng Ken's visit will be private and low-profile.

Guided by Lo, he will visit the Po Lin Buddha on Lantau Island, the Peak, Ocean Park, the Bank of China headquarters and a few tourist spots in the New Territories. He will stay in a VIP room at the Regal Hotel in Causeway Bay, which is controlled by Paliburg. He will also pay a courtesy call on local New China News Agency (Xinhua) officials.

No politics will be discussed and he will not meet any members of the Preliminary Working Group, Hong Kong affairs advisers or Hong Kong delegates to the National People's Congress. Nor will he meet the Governor, Chris Patten. Lo is arranging a dinner in Deng Ken's honour for a number of prominent local personalities.

Considerably taller than his brother, the younger Deng has a much lower profile in China. A former reporter and former vice-governor of Hubei province, Deng Ken is regarded as the most intellectual of Deng Xiaoping's seven brothers and sisters.

His stopover in Hong Kong will come after a tour of Singapore.

It is understood that he is being accompanied by a close associate, Yu Zhian, the general director of China Chang Jiang Energy Group, which has an association with Lo's Paliburg. Paliburg signed an agreement with Chang Jiang Power in March this year to pursue an

electricity generating joint venture. The agreement has paved the way for further investment opportunities for Lo's group in China.

Unlike Deng Xiaoping's off-spring, Deng Ken has not visited Hong Kong before. Deng Xiaoping's three daughters and two sons have been frequent visitors to Hong Kong. Deng Rong, one of Deng's daughters, came to Hong Kong last September.

Editorial Continues Criticism of UK Parliament Report

HK0405004094 Hong Kong *TA KUNG PAO* in Chinese 3 May 94 p 2

[Editorial: "A Slick Defense That Backfires—Fourth Commentary on Report by the British Foreign Affairs Select Committee"]

[Text] Perhaps because the British Foreign Affairs Select Committee had defended and commended him in its report, "Chris Patten is very satisfied with his job as governor of Hong Kong" and claims that he "will continue to be the governor of Hong Kong until 30 June 1997."

The report, which runs into tens of thousands of words, devotes a large portion to the defense of Chris Patten's erroneous policy, praising him for "correctly choosing a path which seeks to satisfy the demands of Hong Kong people" and indicating its full support for him. The authors of the report can be said to be Chris Patten's defense counsels.

The report describes the "assumption of the post of governor of Hong Kong by Chris Patten, a former government minister with cabinet duties" as a "most significant change in Hong Kong."

What have been the "changes" since Chris Patten arrived in Hong Kong? The following, briefly stated, are some of the notable changes: From the outset, he refused to discuss and cooperate with China and took a course of confrontation—this was the first change. He initiated great changes to the political system, produced a political reform package in contravention of the Sino-British Joint Declaration, the principle of corresponding to the Basic Law, and agreements and understandings between China and Britain—this was the second change. Throughout the negotiations, he kept on disrupting and undermining the talks between China and Britain on Hong Kong's 1994/95 electoral arrangements with a double-faced approach—this was the third change. He spoke of Hong Kong as an "international asset" and visited the United States, Canada, Australia, Japan, and Western Europe to beg the international community for intervention in Hong Kong's affairs—this was the fourth change. He supported legal revisions and formulated new policies in order to sow dissension between civil servants and Hong Kong citizens, divide the Hong Kong people, and create disturbances—this was the fifth change. He distorted some criminal cases which China

has handled according to law in an attempt to arouse discontent with the Chinese Government and foster "anxiety" about the future in the people—this was the sixth change.

That such changes could be lauded by the report as "most significant changes" indicates well how much Britain's policy has changed toward China.

As is well known, over the last few years, the British Government has changed its China policy on the basis of a completely erroneous assessment of the situation in China. It is against this background that Chris Patten came to Hong Kong to carry out Britain's mistaken policy. His point of departure, therefore, was "change," turning cooperation into confrontation and stability into turmoil. The core of his actions were "unilateral moves" to make key changes to the current political system in order to prolong Britain's control over Hong Kong after 1997.

All of the changes made by Chris Patten in Hong Kong have violated agreements between China and Britain, worked against Hong Kong's prosperity and stability, and impeded Hong Kong's steady transition. But the report tried its best to look for "grounds" for Chris Patten's "changes."

"Ground" one: "The Joint Declaration does not require that all things remain unchanged between 1984 and 1997."

Here, let us pose a question to the authors of the report: Does the Joint Declaration demand that Britain change the current political system during the transition? Nowhere in the Joint Declaration and its annexes is Britain given the power to greatly change the political system. The theme running through the document is one of "keeping unchanged." There are more than 20 instances of "retain," "maintain," "continue," and so on, which are all aimed at safeguarding Hong Kong's stability and prosperity and a smooth transition. It is also a responsibility placed by the Joint Declaration on China and Britain. This defense by the report is obviously awkward.

"Ground" two: "The provisions of the Basic Law are at present not legally binding on the Hong Kong Government."

This statement is clear in its connotation, namely, that there is no need to take the Basic Law into account in actions taken by Chris Patten before 1997 to change the political system. But since the British Hong Kong government is not bound by the Basic Law, why does Chris Patten keep explaining that his "political reform package" corresponds with and does not violate the Basic Law? Why did the report, following Chris Patten, say that "our legally sworn witnesses, our governor, and the British Government hold that absolutely nothing in the proposals made by the Hong Kong governor is inconsistent with the provisions of the Basic Law?" It is cheating to say that Chris Patten's package "corresponds with the

Basic Law" and "is absolutely not inconsistent with the provisions of the Basic Law." The truth is that the package violated the principle of corresponding with the Basic Law. Because Chris Patten never wanted to be "bound" by the Basic Law and was willing to work only under the "Letters Patent" and the "Royal Instructions." Unexpectedly, the report revealed the truth.

"Ground" three: "The British government and the Hong Kong authorities are not legally obliged to stop Chris Patten's proposals from being implemented before 1997."

This gives them away again. Chris Patten is above the British Hong Kong Government and is in a supreme position, which is a power given by the British Queen. Therefore, the Hong Kong authorities have no means (or it should be said "have no intention") of stopping him from carrying out his package. It is easy to understand. And it shows that there is only dictatorship and no genuine democracy in Hong Kong at the present time. What we do not understand is who is commanding who—the British Government or Chris Patten? Can it be Chris Patten who is commanding the British Government? The "Letters Patent" expressly stipulate that the "governor obeys the rules, ordinances, and rulings in the Letters Patent in making laws." Since Chris Patten's package received the "full support" of the British Government, why did the report say that the British Government is not legally obliged to stop Chris Patten from carrying out his package? Are they not shooting themselves in the foot?

This was a slick move that backfired! The authors of the report, in intending to prove the correctness of Chris Patten with these "grounds," end up showing that his policy is wrong. This is something they probably did not expect!

Columnist Views Banknotes Issued in Hong Kong
HK0605025894 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 May 94 p 5

["Random Notes on Hong Kong" column article by Lian Tian (6647 1131): "Joining Efforts To Make a Bigger Cake"]

[Text] Through painstaking preparations, the new Hong Kong banknotes issued by the Bank of China [BOC] are now available to Hong Kong inhabitants. This is a major event in Hong Kong economic circles.

According to an authoritative figure from the BOC, as a commercial bank, the BOC has issued Hong Kong banknotes in an orderly way according to local laws and current Hong Kong regulations for issuing currency. Moreover, after becoming a banknote issuer, the BOC will continue its operation in light of Hong Kong's financial laws, continue to support the status of the Hong Kong and Shanghai Banking Corporation and Standard Chartered Bank as Hong Kong's major banknote issuers. The BOC intends to enter into fair competition with

other banks in Hong Kong and seek common development rather than replace them. Hong Kong people should set their minds at ease. As stated by an official in charge of the BOC: "We do not intend to take a larger share of the cake. Instead, we want to join others in making a bigger cake." As the second largest bank group in Hong Kong, the BOC in Hong Kong has always regarded the maintenance of Hong Kong's prosperity and stability and Hong Kong's status as an international financial center as its fundamental interests.

From the BOC's issuance of banknotes in Hong Kong, we can see the great significance of the move in Hong Kong's economy. Apart from consolidating Hong Kong's status as an international financial center, it will also be conducive to the continuity and smooth transition of Hong Kong's currency system. Hong Kong is one of the limited number of regions in the world where banknotes are issued by commercial banks, where there is no central bank, and where the functions of the central bank are jointly performed by the government departments, the Hong Kong and Shanghai Banking Corporation, and other commercial banks. Following the issuance of its banknotes, the BOC will become a member of these commercial banks. The move itself shows that the system of commercial banks issuing banknotes, which has prevailed in Hong Kong over the years, will smoothly continue after 1997. It also indicates the policy of the Chinese Government toward Hong Kong, that is, keeping prevailing practice unchanged.

Second, it will be conducive to stability of the value and credibility of Hong Kong currency. The BOC is one of the large banks which ranks in the front of the list of world banks. With a solid foundation, the move of the BOC in issuing Hong Kong banknotes will be conducive to maintaining a strong Hong Kong dollar. The system of pegging Hong Kong dollar to the greenback, aimed at stabilizing Hong Kong's financial market and the economy as a whole, has played an important role. After becoming a banknote issuer, the BOC will show more concern for the system than in the past and make vigorous efforts to consciously maintain it.

The BOC cannot make any commercial benefit from issuing banknotes in Hong Kong. Conversely, it has to undertake for the cost of the operation. Proceeding from the overall situation of maintaining Hong Kong's financial stability, the BOC, in compliance with the request of Hong Kong society, has vigorously undertaken a greater responsibility and issued Hong Kong banknotes. We hope that the BOC will seek practical results rather than undeserved reputation, carefully manage its business, and join Hong Kong banks in making a bigger "cake."

BOC Hong Kong Group Names New Director

*HK0605031694 Hong Kong TA KUNG PAO in Chinese
5 May 94 p 2*

[Report: "Yang Zilin Will Assume the Post of Director of the Hong Kong and Macao Administration of the Bank of China on 1 June 1994"]

[Text] At a meeting of the general managers of the Bank of China [BOC] Group on 3 May in Hong Kong, BOC

Board Chairman Wang Qiren announced on behalf of the general headquarters that Yang Ziling has been appointed director of the BOC Hong Kong and Macao Administration and that Huang Diyan is longer director of the administration. After completing hand-over procedures in May between the old and new directors, Yang Zilin will formally assume office on 1 June.

After announcing this appointment and dismissal circular, Wang Qiren said that since Huang Diyan became BOC Hong Kong and Macao Administration director in 1985, all aspects of the BOC Group's business have speedily developed under the leadership of the general headquarters, its institutions and employees have continuously increased, its management level has improved, and it has achieved good results and made remarkable achievements. The BOC Group has established a good image and reputation in society, its position has improved, and its influence is expanding. Huang Diyan will withdraw from the director's post because of age and will continue to work in Hong Kong as BOC deputy board chairman and as adviser to the BOC Hong Kong and Macao Administration so that he will make new contributions to the Hong Kong and Macao BOC Group's future development.

Yang Zilin, 49, graduated from university in July 1968. He joined the BOC in March 1972. He has been a researcher in the BOC International Financial Research Office, a representative of the BOC Representative Office in Tokyo, chief representative, deputy director, and director of this office, and general manager of the BOC Tokyo Branch. In August 1992 he was appointed BOC director and assistant to the BOC president. Since December 1993 he has been BOC managing director and assistant to the BOC president. An informed BOC source disclosed that Yang Zilin is familiar with international financial business, has rich experience in banking, and is in the prime of life. Under his leadership, the BOC Group will continue to show its vitality and thrive.

Fujian Secretary Meets Officials in Hong Kong

*HK0505135894 Fuzhou Fujian People's Radio Network
in Mandarin 2300 GMT 4 May 94*

[Text] Jia Qinglin, provincial party committee secretary and chairman of the people's congress standing committee, met in Hong Kong yesterday [4 May] with some Hong Kong-based Fujian officials, including the provincial department and bureau officials, as well as prefectural and city officials.

Secretary Jia Qinglin called on the Hong Kong-based Fujian institutions to become both a bridge and a springboard linking Fujian with the outside world

Earlier, a Fujian delegation led by Jia Qinglin had visited Malaysia. Jia Qinglin and his entourage arrived in Hong Kong after winding up their official visit to Malaysia.

LIAOWANG Supports Verdict in Xi Yang Case

HK0505102194 Beijing LIAOWANG in Chinese No 17, 25 Apr 94 p 63

["Letter From Beijing" by Bao Xin (7637 0207): "The Xi Yang Case Should Not Be Linked With Politics"]

[Text] Dear Brother,

On 15 April, the Beijing Higher People's Court made a final judgment in the case of Hong Kong's MING PAO reporter Xi Yang stealing and spying on the state's banking and economic secrets, rejected Xi Yang's appeal, and maintained the 28 March verdict by the Beijing Intermediate People's Court, which sentenced Xi to 12 years imprisonment and deprived him of political rights for 2 years. In my opinion, the verdict is legal and just, and the penalty is accurately meted out.

Xi Yang was involved in a criminal case, which was not complicated. Regarding those who do not know the truth or the procedure of trial by the judicial departments, questions of one kind or the other are understandable. However, some people are trying to seize upon the incident to exaggerate matters and to link this purely criminal case to politics in an attempt to throw mud at China's judicial departments. They are confusing right and wrong by saying that the sentence meted out by China's judicial departments on Xi Yang according to law runs counter to the principle of freedom of the press.

As a matter of fact, punishing the crime of stealing secrets and protecting the freedom of reporters in gathering news are two things entirely different in nature. News, news gathering, and legality are entirely different from secrets, stealing, and illegality. We can judge this point from the crime committed by Xi Yang. During June and July of 1993, Xi Yang came to Beijing in the name of covering the Sino-British talks and the establishment of the Preliminary Work Committee for the Preparatory Committee for the Hong Kong Special Administrative Region. People in this circle all know that Hong Kong reporters should first submit an application for gathering news on the mainland. As far as I know, neither the XINHUA Hong Kong branch nor the People's Bank of China [PBC] received any application from Xi Yang to cover news about the PBC. Neither did the bank assign its staffer, Tian Ye, to receive Xi Yang. When Xi Yang arrived in Beijing, he was not interested at all in the news he was allowed to cover. Instead, in light of the request of the person in charge of MING PAO, he instigated Tian Ye, deputy director of the Foreign Affairs Bureau of the PBC, to steal the state's banking and economic secrets, which included the sample of banknotes to be printed by China, the decision of the bank on bullion trading in the international market, and the plan of the bank on interest rate changes which had not yet been published. The document entitled "Explanations on Provisional Method for Foreign-Funded Financial Organizations To Engage in Renminbi Businesses" was labeled "confidential." Did Xi and Tian

not know they were violating the law? "Did they 'trespass the forbidden zone' by mistake while covering news?" No. I learned from relevant departments that Xi and Tian were surreptitious during their involvement in these activities. They dared not meet at Tian Ye's office or at the Jianguo Hotel, where Xi Yang was staying. Instead, they met on street corners. To avoid public attention, they neither shook hands on meeting nor bid farewell on parting. If this was normal news coverage, why were they so furtive? Obviously, they had guilty consciences. Regarding this, Xi Yang admitted that "he knowingly violated the law." While engaged in these activities, he also said, he "only received instructions from MING PAO, but never got any approval from the departments concerned." "His lawless behavior has caused unnecessary losses to the country's economy and has interfered in the country's policy of macroeconomic regulation and control. As a Chinese citizen who had lived and worked in the country for years, he knew that the nature of his case was serious, as his lawless behavior incurred enormous losses to the state's interests." When the PBC was investigating the case of China's financial and economic secrets published in MING PAO, the newspaper urged Xi Yang on numerous occasions to return to Hong Kong as quickly as possible. This also proved that the official responsible for the newspaper clearly knew the nature of the case. Since Xi Yang and Tian Ye have violated the law, incurring serious economic losses to the state, it is absolutely necessary to mete out punishment against them according to the law. They deserve this punishment. Otherwise, how can we guard the sanctity of the law?

Since reform and opening up, China's relevant departments have enthusiastically welcomed news coverage by reporters from overseas—including those from Taiwan, Hong Kong, and Macao—and have provided convenience and created conditions for their normal coverage. In 1993 alone, Hong Kong reporters came to China to cover news on more than 1,000 occasions. However, if a person violates the law, he must be punished according to the law, regardless of his status. As Xi Yang stole and spied on the state's financial and economic secrets, violating China's law, China's judicial organs have meted out his punishment according to the law. This is entirely a matter within China's sovereignty.

[Signed] Bao Xin, 18 April

Boycotting Reporters Barred From Zhejiang Trip

HK0605093494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1248 GMT 5 May 94

[Text] Hong Kong, 5 May (ZHONGGUO TONGXUN SHE)—Today, some media organizations received a notice from the Information Office of the mainland government, passed on by the personnel of the XINHUA News Agency Hong Kong Branch, which politely refused to grant some Hong Kong reporters who had "boycotted" news-gathering invitations permission to cover stories in Zhejiang this time. However, the notice also

stated that the media organizations may send different reporters. Our reporter interviewed on this matter a staff member of the XINHUA Hong Kong Branch in charge of transmitting news-gathering applications to higher authorities.

The person interviewed said: In the past, local reporters accepted invitations or sponsorships from mainland officials for gathering news in China on a voluntary basis and it was perfectly all right for them to decline the invitations. But this time, the problem is not just rejecting invitations, but also that they publicly "boycotted" the invitations and sent a signed statement to several departments of the Chinese Government. Under such circumstances, it would be very hard for the mainland authorities to give the green light to those who took part in the "boycott" to gather news wherever they want as if nothing had happened.

Xi Yang was convicted according to law by the mainland judicial authorities for violation of the criminal law, which had absolutely nothing to do with normal news gathering in the mainland. It is inappropriate for some people to politicize what was obviously a legal issue, show no respect for facts or law, and "boycott" all kinds of news gathering in the mainland that they consider to be of a propaganda nature. The mainland Information Office made it clear that as you may "boycott" the invitations extended by some local authorities to gather news there, the local authorities can also reject your application for a news-gathering permit for the time being.

China Retaliates Against Journalists Supporting Xi Yang

HK0605093594 Hong Kong SOUTH CHINA MORNING POST in English 6 May 94 p 1

[By Chan Wai-Fong and Linda Choy]

[Text] Beijing has retaliated against Hong Kong journalists who signed a statement in support of jailed reporter Xi Yang.

It has rejected their applications to cover next week's visit by a Taiwanese delegation to the site of the Qiandao Lake boating tragedy.

At least seven media organisations were told by the local Xinhua (New China News Agency) office yesterday that if they wanted to cover the event they had to send journalists who had not signed the petition.

The Hong Kong Journalists' Association (HKJA) yesterday expressed regret at Beijing's move and said it was retaliatory and penalising.

Last month 117 journalists from 23 media organisations endorsed a statement expressing their concern and anger at the 12-year jail sentence imposed on Ming Pao reporter Xi for "spying and stealing state secrets".

They also decided to boycott media invitations from China which they believe to be propagandist until the end of this month.

Chinese officials sent the journalists' statement and copies of their signatures to the Propaganda Department of the Chinese Communist Party, the All-China Journalists' Association, the State Council's Information Office, and the Hong Kong and Macao Affairs Office in Beijing.

In Hong Kong, the local Xinhua office, the Hong Kong Government, the Newspaper Society of Hong Kong and the News Executives Association also received copies.

Yesterday an official from the State Council's Information Office told the South China Morning Post that since its applicant was one of the signatories she was denied permission to cover the Taiwanese delegation's visit.

An official at the local Xinhua office also told the Post that if it wanted to cover the event it had to send another reporter who had not joined the boycott.

Ming Pao's application was also rejected, because the State Council's Taiwan office said it had no authority to handle Ming Pao's application.

Ming Pao had wanted to send its Taiwan correspondent.

Sun Nansheng, director of the propaganda department of the local Xinhua, said that it was "normal" that the applications were turned down since the journalists had openly declared a boycott.

Since the boycott has a time limit, the ban would probably be temporary, he said.

The HKJA said yesterday the ban was proof that China's existing rules on Hong Kong reporters was a mechanism to "screen" and control reporting.

It was also contrary to Beijing's statement that Xi's case was an individual one with nothing to do with normal reporting, the HKJA said.

A local member of the Preliminary Working Committee, Tam Yiu-chung, said yesterday it was reasonable for reporters to show their concern for a fellow reporter who had been jailed.

"They should not be punished just because of this," he said.

National People's Congress delegate Liu Yiu-chu also said China should not discriminate against reporters who had signed petition letters to express their personal views.

The tourist boat fire on Qiandao Lake killed 32 people, including a 24-member Taiwan tour group, last month.

The delegation consists of members of the Straits Exchange Foundation.

Committee To Strengthen Ties With Hong Kong People

OW0505153394 Beijing XINHUA in English 1248
GMT 5 May 94

[Text] Hong Kong, May 5 (XINHUA)—The Preliminary Working Committee for the Preparatory Committee of Hong Kong Special Administrative Region (SAR) will further strengthen contacts with Hong Kong residents and collaborate with them to prepare formation of the SAR government. Wang Fengchao, member of the political affairs panel of the committee, made the remarks here today during talks with leaders of the Democratic Alliance for Betterment of Hong Kong and Hong Kong Progressive Alliance. Wang said in the past few days, the political and economic panels of the committee met representatives from some political organizations and grass-roots bodies and listened to their opinions on the political structure, the economy and the people's livelihood in Hong Kong beyond 1997. Some of these opinions, he said, are very constructive and he believed the committee will do a better job together with the support and participation of Hong Kong people. He hoped various organizations, through communication with Hong Kong residents, will jointly take part in formation of the SAR and in preparing "Hong Kong people manage Hong Kong" after 1997. There will be no "through train" as the Sino-British talks has broken down, Wang said, adding the Chinese side still hopes to cooperate with the British side in fields of the economy and the people's livelihood. However, this cooperation depends on the attitude taken by the British side, he said.

XINHUA Official Speaks on 'May 4th Movement'

OW0405122394 Beijing XINHUA in English 1142
GMT 4 May 94

[Text] Hong Kong, May 4 (XINHUA)—More than 100 young people from all walks of life gathered at a seminar here this afternoon to mark the 75th anniversary of the May 4th Movement.

The May 4th Movement in 1919 was an anti-imperialist, anti-feudal political and cultural movement. After the founding of the People's Republic of China in 1949, the day was established as the youth day in China.

A guest speaker at the seminar sponsored by the Hong Kong United Youth Association Limited (HKUYA), Zhang Junsheng, deputy director of Xinhua News Agency Hong Kong branch, urged the Hong Kong youth carry on the May 4th spirit and make more contributions to the realization of Hong Kong's smooth transfer of power in 1997 and prosperity of the motherland.

Zhang described the young people as "the masters of the next century" and hoped that they help maintain prosperity and stability in Hong Kong and facilitate China's reform and opening to the outside world.

Speaking at the senior [as received], Peter M.K. Wong, chairman of the HKUYA, said the Hong Kong young people are the masters of future Hong Kong. "It is of great significance for Hong Kong youth to review the May 4th Movement and carry on the May 4th tradition in the runup to 1997," he said. Giving lectures on the May 4th Movement and its significance at the seminar were Chow Kai-wing, senior lecturer of Department of History of the Hong Kong Baptist College, Ng Hong Mun, deputy to the Chinese National People's Congress, and legislator Li Ka-cheung.

Hong Kong's T.K. Ann Seeks To Resign CPPCC Post

HK0405093394 Hong Kong LIEN HO PAO in Chinese
4 May 94 p 1

[Report from Beijing by special correspondent: "T.K. Ann Resigns His Post as CPPCC Vice Chairman"]

[Text] An informed source here disclosed that T.K. Ann, an incumbent vice chairman of the mainland's Chinese People's Political Consultative Conference [CPPCC] National Committee, recently tendered a verbal resignation to the higher leadership in Beijing, asking to be discharged from the post of vice chairman of the CPPCC National Committee.

It is said that the reason he gave in support of his resignation is that he is too old and his health is not good enough to allow him to perform his duties competently in such an important position as CPPCC vice chairman. Therefore he hopes that the position can be given to someone younger.

However, his request was rejected at once by the ranking mainland Chinese official concerned, who urged him to keep the post and promised him that all he needs to do as vice chairman is to attend a few important meetings of the CPPCC or other organizations in Beijing and to show up at some major functions in Hong Kong.

T.K. Ann, now 82 years old, is not merely an entrepreneur, but also a linguist of rather high standing. His extensive knowledge and ability were appreciated by Deng Xiaoping, who therefore nominated him as vice chairman of the CPPCC National Committee.

Taking up the post as chairman of the Hong Kong Textile Industry Federation in the 1950's, T.K. Ann later held a series of other posts: member of the Hong Kong Legislative and Executive Councils, and chairman of the Trade Development Council. In the 1980's, he was appointed by the Chinese side to be member of the Standing Committee of the CPPCC National Committee. At the same time, he held such important posts as vice chairman of the Hong Kong Basic Law Drafting Committee and member of the Hong Kong Basic Law Consultative Committee, playing an influential political role in both China and Hong Kong.

In March 1993, T.K. Ann was further elected vice chairman of the CPPCC National Committee, thus reaching the peak of his political career. Only one year later, however, he unexpectedly tendered his resignation.

T.K. Ann has always deliberately maintained a low political profile in his different positions. Seldom has he readily stated his stance on public occasions. He has always tried to decline interviews by reporters, and if he could no longer decline, he would confine the interview to a discussion on academic matters or to chats on personal affairs; never would he touch on sensitive political issues.

Business figures very close to T.K. Ann said advanced age and poor health are certainly reasons for his resignation, but the fact that he is indifferent to and tired of politics—as he often has said in private—could possibly be another reason.

It is said that in recent years T.K. Ann has had to devote much of his time and energy to the management and operation of the Winsor Industrial Group, a company listed on the Hong Kong stock market with him as group chairman. This is perhaps another reason why he is tired of the official post.

Reported Attempt To Bolster Civil Service

HK0605083494 Hong Kong HONGKONG STANDARD in English 6 May 94 pp 1, 3

[“Exclusive” by Tonny Chan]

[Text] The government has brought in a senior Australian official in what is being seen as an attempt to bolster the traditional British style of the civil service against the influence of China.

Australian civil servant John Hamilton is taking part in a far-reaching overhaul of the bureaucracy.

His arrival comes as a battle rages between Britain and China over the loyalty of the territory's 180,000 civil servants in the runup to China's takeover in 1997.

The overhaul, known as the Public Sector Reform (PSR) program, will particularly affect civil servants with the calibre to rise to the top of the service.

The government's top brass is said to be anxious that mainland ethics and practices could become influential in the civil service and take the place of the administrative culture that is being built up to carry on after 1997.

The government has confirmed Mr Hamilton's appointment.

Before beginning his 13-month secondment on 10 January, Mr Hamilton was assistant commissioner of the Australian Public Service Commission for human resources management.

A government spokesman said Mr Hamilton was responsible for “developing a systematic approach to performance appraisal, training and career development” within the civil service and was seconded for his solid human resource management background.

“Staff of the Civil Service Branch have previously visited the Australian Public Service Commission,” he said.

“(It was) considered the Australian experience in human resource management would be a useful reference for Hong Kong in the implementation of the PSR program.”

A theme of the PSR is to recommend a civil service mechanism that would uphold “human rights, openness and fairness”.

A distinctive difference between Australia's public service and that in Britain and Hong Kong is that in Australia, top policy secretaries are employed on five-year contracts.

The [preceding word as published] enables them to forcefully confront outside political pressure.

The Australian Consulate-General in Hong Kong said its diplomats here were aware of Mr Hamilton's secondment, but its press officer said she was unable to provide The Hongkong Standard with further information.

The Australia Public Service Commission said simply that Mr Hamilton's assignment was to look at Hong Kong's public service.

The Secretary for the Civil Service Michael Sze returned from a two-week visit to Australia on Sunday.

A local political columnist quoted sources as saying that he had focused on how “fairness” was upheld in Australia's civil service.

The theme of openness and fairness had been emphasised by Governor Chris Patten in his rows with China.

A British parliamentary report recently called on the government to form a human rights commission to keep a permanent watch on human rights in the territory.

Beijing is worried Britain may use human rights to internationalise Hong Kong after 1997. Members of the Preliminary Working Committee sounded just such a warning on Monday.

The territory's government vehemently denied the present promotion mechanism in the civil service is unfair despite the fact that Mr Hamilton has been asked to carry out a review.

A civil service spokesman also rejected the idea that personal influence dominates the civil service promotion system.

He said there were clear guidelines including promotion criteria specified in the civil service regulation which promotion boards had to follow.

He said the boards comprised enough members from different ranks to ensure that they fully understood the job requirement and the candidates performance.

In cases within the jurisdiction of the Public Service Commission, the boards recommendations had to be referred to the commission for advice before they could be approved, he added.

"The system is a fair one and has adequate checks and balances," the spokesman said.

He said the PSR program was aimed at improving the civil service's efficiency and quality.

PRC Pledges Fair Treatment for British Civil Servants

HK0505052694 Hong Kong SOUTH CHINA
MORNING POST in English 5 May 94 p 1

[By Linda Choy]

[Text] A senior Chinese official has given an assurance that civil servants who hold British citizenship under the British Nationality Scheme will not be discriminated against in their careers with the Special Administrative Region (SAR) government. Speaking at a meeting with the New Hong Kong Alliance yesterday, visiting Deputy Director of the Hong Kong and Macao Affairs Office (HKMAO), Wang Fengchao, said the civil servants should not be afraid of revealing their British citizenship.

The chairman of the Hong Kong Civil Servants' Association, Peter Wong Hyo, last night welcomed the clarification. He said it was a good thing for the Chinese Government to clear the doubts of civil servants.

"The Chinese Government will not discriminate against civil servants who have obtained British citizenship through the British Nationality Scheme," Mr Wang was quoted by Pao Ping-wing, of the Alliance, as saying.

Yesterday's assurance cleared up fears about China's attitude towards the nationality scheme, which was introduced to tackle the confidence crisis following the Tiananmen Square crackdown in 1989. It grants full British citizenship to 25,000 families in phases. China's refusal to recognise the scheme has created uncertainty over whether civil servants who obtained the right of abode in Britain would be victimised.

Mr Wang said: "Holders of the citizenship have no reason to worry about the exposure of their status." The nationality factor would only carry weight in the promotion of civil servants to secretary and deputy secretary levels, he added. Article 101 of the Basic Law stipulates that government posts at the rank of policy secretaries and deputy secretaries should be held by Chinese citizens with no right of abode in other countries.

Legislative Councillors Table Election Proposals

HK0505050994 Hong Kong SOUTH CHINA
MORNING POST in English 5 May 94 p 1

[By Doreen Cheung and Fung Wai-Kong]

[Text] A senior Chinese official yesterday ruled out the possibility that some legislators sitting on the 1995 Legislative Council [Legco] might not have to seek re-election in 1997. The clear message from the Deputy Director of the State Council's Hong Kong and Macao Affairs Office, Wang Fengchao, dashed hopes that legislators representing the existing functional constituencies would survive the disbanding of the legislature at the changeover. Asked if there were a chance for a partial through-train arrangement, Mr Wang said: "There is no such possibility."

"According to the decision of the National People's Congress, the last legislature in Hong Kong must be formed in accordance with the Basic Law."

"The composition of the Legislative Council should be taken as a whole, including members returned through geographical election, functional constituency election or the Election Committee."

"Both the number of legislators in each category and the details of the election method should abide by the provisions in the Basic Law. There is no partial through-train arrangement," he said.

Speaking after meeting Mr Wang, Liberal Party chairman Allen Lee Peng-fei quoted the deputy director as saying all 60 seats in the law-making assembly would be up for re-election in 1997. Though it was likely the 21 existing functional constituency seats would remain after 1997, Chinese officials told Mr Lee they must be re-elected.

Despite the comments, legislators formally tabled their amendments yesterday to the electoral bill on the functional constituency seats, and the composition of the Election Committee. The United Democrats amendment demands that half of the Legislative Council be directly elected. It also includes the abolition of the Legco seats for the Urban Council, Regional Council and Heung Yee Kuk, to be replaced with three new functional constituencies covering retired people, housewives and students. The four Meeting Point legislators have indicated support.

Another vocal supporter of democracy, Emily Lau Wai-hing, put forward an even more ambitious amendment which demanded a 100 per cent directly elected legislature. The Liberal Party has yet to decide whether to table its own amendment or support other similar ones.

A group of independent legislators is working on a more conservative proposal which seeks to scale down the number of voters in the functional constituencies. Eric Li Ka-cheung, an independent legislator, has been liaising with several other independent legislators and

the Liberal Party to formulate an amendment based on the compromise package proposed by the British side during negotiations with China last year which reduces the number of voters in the functional constituencies from 2.5 million to less than 650,000.

Editorial Views Censure of PRC, UK Governments

HK0605073094 Hong Kong SOUTH CHINA MORNING POST in English 6 May 94 p 18

[Editorial: "HK's Interests Neglected"]

[Text] It is rare for Hong Kong to speak out with such passion against both its present and future sovereign nations simultaneously. Yet the motion passed in the Legislative Council on Wednesday calling on both Britain and China to stop violating the Joint Declaration bore the support of all the main parties and the majority of independents into the bargain.

Neither London nor Beijing should be under any illusion that the criticism was not deeply felt. The vote was an important message to both sides to remember that the point of the Joint Declaration was more than just the transfer of sovereignty. What was at stake was the maintenance of the welfare and the freedoms of the people of Hong Kong. There have been times as the two distant capitals have confronted each other over recent years when that commitment to the people of the territory has been forgotten. And the feeling of resentment at that obvious neglect of Hong Kong's interest has rarely been stronger than today, when the two sides refuse to talk to each other in public.

No doubt those at whom the motion is mainly addressed will attempt to fob off critics with the observation that different legislators had widely differing reasons for supporting the censure. The democratic parties are incensed at the lack of democratic reform, British acquiescence in China's position on the Court of Final Appeal and the apparent threat to Hong Kong's rights and freedoms. The Liberals fear the lack of convergence and cooperation for a smooth transition.

But the criticisms from both sides are valid. And while Chris Patten plays political games to keep himself in the public eye and upstage Lu Ping, the majority wish he would buckle down to practical governing instead.

Legislators have echoed Shakespeare's wish for "a plague on both your houses", rejecting both sides' unconvincing excuses for the neglect of their obligations to the people of Hong Kong. In that they will enjoy the public's full support.

Local EU Office Head on Quotas on PRC-Made Goods

HK0605083694 Hong Kong HONGKONG STANDARD (FINANCIAL REVIEW) in English 6 May 94 p 1

[By Chito Lozada]

[Text] The European Union (EU) will not review quotas imposed on 15 March this year on selected consumer goods made in China until December, when the present quota scheme lapses.

Etienne Reuter, head of the Hong Kong office of the European Union (EU), told the Financial Review that the December review would only look into a modification of the scheme, which would probably be reimposed next year.

This was certain unless a strong lobby "provoked" a review for its removal, Mr Reuter said. The quota scheme was nothing new... it merely simplified similar schemes imposed by countries in the EU, he said.

EU members had imposed 4,700 notional restrictions on imported goods which were simplified into the quota scheme.

Items covered under the quota scheme are toys, footwear, gloves, porcelain kitchen and tableware, ceramic kitchen and tableware, glassware and radios.

The imposition of the scheme brought howls of protests from Hong Kong manufacturers. Many have based their operations in China.

Meanwhile, Luis Larroque, executive vice-president of the Spanish Foreign Trade Institute, said Spain had opposed the quota scheme and was supporting limited barriers against Chinese goods.

However, the quota scheme was "provisional only" and would be lifted when "some part of the EU industries have adjusted to the world market", Mr Larroque said.

Mr Reuter also gave an assurance that the 20 China-made products placed under surveillance for possible import quotas would not mean the EU would necessarily restrict these products soon.

"They are just being monitored and there are no indications that trade (of these goods) will be restricted," he said.

Trade groups in Hong Kong and the EU are protesting against the imposition of the quota scheme and have petitioned the Chinese government to push for its removal.

The quotas would mean substantial cuts in their export receipts, which could reach more than \$3 billion by year's end, local groups said.

Europe's Foreign Trade Association (FTA)—which groups big importers of Chinese consumer goods, including department stores—have written to the Chinese government.

These groups want the import restrictions to be delayed at least until next year because orders have already been placed with firms in China.

Local and EU trade groups have also complained that the quota scheme was complicated and will result in uncertainties in the planning of purchases.

Other groups complained that the scheme would increase bureaucracy and thus add to operating costs.

Macao

75th Anniversary of 4 May Movement Marked

*OW0505051494 Beijing XINHUA in English 0421
GMT 5 May 94*

[Text] Macao, May 5 (XINHUA)—Twenty-eight youth organizations in Macao took part in a gathering Wednesday [4 May] evening to celebrate the 75th anniversary of the May 4, 1919, movement.

Guo Dongpo, director of the XINHUA NEWS AGENCY Macao branch, said at the gathering that the May 4 movement was of great significance, calling on

Macao youths to learn from and carry forward the patriotic spirit of the May 4 movement, to foster a belief of loving the motherland and loving Macao.

He also encouraged local youth organizations to play an active role in publicizing the Macao Basic Law and expressed the hope that Macao youths would become more concerned with matters in the transitional period, to guarantee that these matters be handled in convergence with the basic law.

Also in Wednesday evening, XINHUA NEWS AGENCY Macao branch and Macao university [University of East Asia] held another art performance to mark the 75th anniversary of the May 4, 1919, movement.

A group of retired cultural workers gathered together, singing patriotic songs during the war of resistance against Japan (1937-1945) and those popular in the 1950s, to commemorate this historical incident. Many of these retired workers participated in the anti-Japanese war and national salvation movement.

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